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# Western Europe

## Agriculture and Trade Report

### Situation and Outlook Series

CAP Reform, GATT, and currency crisis top the news on the eve of the EC's Single Market

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# **Western Europe Agriculture and Trade Report**

Situation and  
Outlook Series

December 1992



## Contents

	Page
<b>Summary</b> . . . . .	4
<b>General Economic Situation</b> . . . . .	6
<b>EC 1992/93 Price Package and Related Measures</b> . . . . .	10
<b>EC on Agricultural Support Continues To Climb</b> . . . . .	14
<b>Agricultural Income in the EC</b> . . . . .	18
<b>U.S.-EC Agricultural Trade</b> . . . . .	21
<b>Commodity Market Highlights and Policy Developments</b>	
Grains . . . . .	25
Oilseeds . . . . .	31
Protein Crops . . . . .	34
Beef and Veal . . . . .	36
Pork, Poultry and Eggs . . . . .	38
Sheep and Goats . . . . .	41
Dairy . . . . .	43
Sugar . . . . .	46
Wine . . . . .	50
Tobacco . . . . .	53
<b>Western Europe Developments:</b>	
CAP Reform . . . . .	55
U.S., EC Reach Agreement in Oilseed Trade Dispute, New Regime Takes Effect . . . . .	61
Europe 1992: Deadline Closing In . . . . .	66
Bananas in the EC . . . . .	69
EC Proposes Reform of Agrimonetary System . . . . .	72
Uruguay Round Negotiations Focus on EC, U.S. . . . .	77
EC Negotiating New Long-term Budget Plan . . . . .	79
EFTA and EC Link to Form European Economic Area . . . . .	82
EC Begins Process of Enlarging the Community . . . . .	87
EC Counters Effects of Agriculture on the Environment . . . . .	92
Timetable of European Economic Integration . . . . .	96
Progress on Ratification of Maastricht Treaty . . . . .	97
<b>List of Text Tables</b> . . . . .	98
<b>List of Text Figures</b> . . . . .	99
<b>Publications of Interest</b> . . . . .	100
<b>Glossary</b> . . . . .	101
<b>List of Appendix Tables</b> . . . . .	104
<b>Appendix Tables</b>	

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### Weights and Measures

The metric system of weights and measures is used in this report. The following are conversions to the U.S. system of weights and measures:

- 1 hectare (ha) = 2.47109 acres
- 1 kilogram (kg) = 2.204622 pounds
- 1 liter = 1.0567 quarts
- 1 liter = 0.26418 gallons
- 1 metric ton (mt) = 2,204.622 pounds
- 1 metric ton = 1.102311 short tons
- 1 metric ton of wheat = 36.7437 bushels
- 1 metric ton of corn = 39.368 bushels
- 1 metric ton of barley = 45.9296 bushels

This report uses the September 1992 exchange rate, as reported by the Federal Reserve, of \$1.3722 per ECU. This report also applies the "switchover coefficient" of 1.157346 to convert policy prices and amounts to market ECUS.



## Summary

In an eventful year for Western Europe, the European Community (EC) agreed on a major reform of its Common Agricultural Policy (CAP) and worked toward finalizing its Single Market plan to take effect January 1, 1993. Negotiations are continuing on the Uruguay Round of GATT, with the oilseeds dispute in the forefront.

The currency crisis of September 1992, in part due to prolonged recession in many of the EC member states, was one of the major events affecting Western European economies in 1992. The British pound and Italian lira both left the Exchange Rate Mechanism of the European Monetary System. Economic growth in the EC fell to 1.1 percent in 1991, while for the EFTA countries growth slowed to 0.4 percent in 1991. Economic performance in 1992 is expected to post a similar showing, with slow recovery in many countries. The outlook for 1993 is for improved consumer and business confidence, with growth rates in the EC between 1 and 1.5 percent.

The EC's 1992/93 package of agricultural prices is largely a roll-over of prices and stabilizer mechanisms from the previous year. The most significant change was an agreement to repeal the co-responsibility levy for cereals. The EC Commission estimates that spending under the CAP Reform package will increase from current record levels. The EC allocated a record 35 billion European Currency Units (\$48 billion) for agricultural price and income support in 1992, a significant increase in funding for farm support only one year after the budget was expanded to cover the costs incurred in bringing the former East Germany under the CAP. The EC is currently planning a new 5-year budget agreement designed to decrease the share of agricultural spending in the total EC budget.

Lower prices for animal products in 1991 contributed to a second consecutive annual decline in EC farm income. The cost-price squeeze worsened for EC farmers as the prices they pay for inputs rose at a faster rate than the prices received for the goods they produce. With no increase in support prices this year, and crops affected by a severe drought in northern Europe, there is little prospect for a turnaround in farm income in 1992. Declining farm income contributed to EC farmers' resistance to CAP Reform.

During the first three quarters of fiscal 1992, U.S. exports to the EC were up from a year earlier due to increased sales of oilseeds and products, and fruits and nuts. This follows a slight drop in fiscal 1991, when the U.S. agricultural surplus with the EC totaled \$2.3 billion, only one-fourth the 1980 figure.

Grain production in the 1992/93 marketing year fell to its lowest level since 1983 following severe droughts in northern and southern Europe. However, EC grain stocks reached record highs following the Community's 1991/92 harvest of nearly 180 million tons, the second largest ever. Area planted to coarse grains fell for the fourth straight year in 1992.

With institution of the new transitional oilseeds regime, oilseed production fell in 1992, after reaching a record high in

1991 for the second consecutive year. Area sown to oilseeds is expected to decline in 1993 due to a decrease in the oilseeds area payment. EC production of peas and beans for fodder declined from nearly 6 million tons in 1990 to 5.2 million in 1991.

Beef production increased more than 4 percent in 1991, as the culling of east German herds continued. Ebbing fears about Bovine Spongiform Encephalopathy raised beef consumption and helped boost exports more than 17 percent in 1991 as Middle East markets lifted trade bans. The pork market contracted slightly in 1991, with only limited growth expected in 1992. The poultry sector is growing at its slowest rate since 1985, although the turkey market continues to expand. Production of butter and nonfat dry milk continues to decline, while smaller milk supplies, in part due to quota reduction, have allowed the drawdown of public intervention stocks. Increased production lowered prices for sheepmeat as consumption fell off in the United Kingdom.

Excellent growing conditions in 1992 should bring EC sugar production near 17 million tons. Production fell 7 percent in 1991 due to reduced acreage, low sugar content, and poor weather. The EC sugar regime will be reviewed this year. Tobacco production, concentrated in the southern member states, grew 5 percent in 1991, exceeding the Maximum Guaranteed Quantity for the sector. Consumption of tobacco is being reduced by higher taxes, particularly in the northern member states. The EC's surplus of wine was slightly lower in 1991/92 mainly due to a record low level of table wine production. Aid for grubbing up vines contributed slightly to the low production level although weather was the key factor. With both consumption and exports in a long-term decline the EC is planning a reform of the wine regime in 1993/94.

After a year and a half of discussion, the European Community agreed to a major reform of the Common Agricultural Policy in May 1992. The CAP Reform compromise package involves cuts in the support prices for cereals, beef, and butter, to be implemented over a 3-year transition period. Intervention prices for cereals will be reduced an average of 33 percent from 1992/93, to 100 ECU (\$159) per ton in 1995/96. Farmers will receive direct payments to compensate for price reductions.

Supply control measures also are included in the CAP Reform. Larger farmers will have to set aside 15 percent of their area. Small farmers are exempt from the set-aside requirement, but they cannot receive the higher payments that apply for oilseeds and protein crops unless they idle cropland. In the livestock sector, CAP Reform entails a 15-percent reduction in the beef intervention price, a 5-percent reduction in the butter intervention price, and increased premiums in the beef and sheep sectors. Accompanying measures aim at environmental protection and the restructuring of farms.

In December 1991, the EC Council of Agriculture Ministers approved a new oilseed regime—in effect for crops harvested in 1992—which replaces producer price support with direct



payments based on planted acreage. The EC changed its oilseed policy in an attempt to comply with a General Agreement on Tariffs and Trade (GATT) panel decision of December 1989, which found that the former EC oilseed regime discriminated against imports and impaired tariff concessions granted in 1962. A second GATT panel ruled in March 1992 that the new regime violates GATT rules. The EC rejected the ruling, prompting the United States to threaten to impose retaliatory tariffs. In November 1992, the U.S. and the EC reached agreement on an area limit for production of EC oilseeds.

The European Community continued to work toward its deadline on December 31, 1992 for completing its single internal market. The Single European Act of 1987 called for an open market allowing goods, services, labor and capital to move freely throughout all 12 member states. Of the 282 harmonizing directives, 87 deal with agriculture, primarily veterinary, public health, and phytosanitary issues.

The Commission has proposed a reform of the compartmentalized EC banana market since the current national trade provisions hinder the elimination of tariff and non-tariff barriers to banana trade by the end of 1992. The proposal would ensure liberal trade within the EC and continued preferential treatment for its African, Caribbean, and Pacific partners, but set quantitative limits on imports from Latin America and other non-ACP sources.

The EC Commission has proposed the removal of most elements of the agrimonetary system which poses a major border barrier to trade within the EC. CAP prices could become truly common throughout the EC, and commercial traders would realize a significant reduction in transactions costs.

Negotiations on the Uruguay Round of the GATT continued in 1991 and 1992, with agriculture emerging as a main stumbling block to an agreement. In December 1991, the GATT Secretary-General drafted a 6-year timetable for liberalizing agricultural policies. The Dunkel Plan proposed decreases of 20 percent in domestic support, 30 percent in border protection, and 36 percent in the value and 24 percent in the volume

of subsidized exports. The Dunkel Plan also proposed common sanitary and phytosanitary standards, and safeguard measures to protect against disruption in domestic commodity markets. In November 1992, the U.S. and the EC reached a common position on the agriculture talks in the Uruguay Round.

The countries of the European Free Trade Association (EFTA) signed an agreement with the EC in May 1992 to form the European Economic Area (EEA), liberalizing the movement of goods, services, labor, and capital. Trade in agricultural goods will continue to be governed by a series of bilateral agreements between individual EFTA countries and the EC, although both sides expanded access on a variety of fruits and vegetables, juices, wine and spirits, cheeses, processed meats, and cut flowers. Sweden undertook one of the most ambitious domestic reform efforts ever attempted in 1991 when it adopted a New Food Policy. Over a 5-year transition period, price and marketing controls will be replaced with a market regulated by supply and demand.

The EC will start negotiations next year on full membership with a number of EFTA countries. The two stated conditions for EC membership are that a potential member must be a European country with a democratic form of government. For the most part, these countries are self-sufficient in agricultural products, and offer even greater support for farmers. Democratization in Central and Eastern Europe has opened up the prospect of EC membership there. Under the new Association Agreements with Central European countries, the EC will allow market access for a limited volume of agricultural products.

In recent years, the EC has approved a number of structural measures encouraging farmers to improve environmental conditions, including a voluntary system of national aid in areas that are environmentally sensitive. Three aspects of the CAP Reform program are expected to have direct environmental benefits: the move away from high price supports toward direct payments, the extension and increased subsidization of numerous environmental protection programs, and the introduction of a new afforestation program.



# General Economic Situation

*Currency fluctuation and stagnant economic performance have dampened expectations for recovery in Western Europe. Revised forecasts predict only slightly improved economic growth in 1993. The European Community had growth of just better than 1 percent in both 1991 and 1992. Higher interest rates, primarily fed by German monetary measures to combat inflation, and increased unemployment lowered domestic demand and reduced growth in 1991.*

---

## **Economic Growth Slows in Western Europe**

Economic growth in Western Europe slowed for the second straight year to an annual rate of 1.0 percent in 1991, compared with 2.6 percent in 1990 (figures 1.1 and 1.2). The decline reflects lower domestic demand, lengthening the economic slowdown and forestalling recovery. Economic growth in the European Community (EC) is estimated at 1.1 percent in 1992 with growth of only 1 to 1.5 percent expected in 1993.

In the EC, all countries except the United Kingdom registered positive growth in 1991, although the rate of growth slowed in every country except Greece and Luxembourg. Through mid-1992, the United Kingdom had experienced 8 consecutive quarters of economic decline. Private consumption in Luxembourg increased due to the positive effects of tax reform and other fiscal measures affecting personal income. A strong agricultural sector, in addition to tax cuts, spurred the Greek economy. The overall EC growth rate of 1.2 percent for 1991 was less than half that of the year previous.

In the European Free Trade Association, overall growth fell from about 2 percent to -0.4 percent in 1991 (see article on EFTA agricultural market highlights). Finland went from zero economic growth to a 6 percent contraction of gross domestic product. Switzerland, which had a moderate growth rate of 2.2 percent in 1990, fell to -0.5 percent in 1991.

The slowdown in economic growth in the region can be attributed to lower domestic demand resulting from relatively high short-term interest rates, stalled recovery in some countries, and continued tightening of monetary conditions to fight inflation.

## **Inflation Slows Further in 1991**

Consumer prices in Western Europe increased only at an annual rate of 5.0 percent in 1991, down over one half of a percentage points from the previous year (figures 1.3 and 1.4). Lower demand in sluggish economies and moderating wage, energy, and commodity prices pushed inflation lower in Western Europe. Inflation rates generally declined or remained steady in most EC and EFTA countries except Germany and the Netherlands. In Germany, fiscal expansion kept prices relatively high. In the Netherlands, increases in the tax on gasoline and health care and increases in housing rents caused inflation to rise. Generally, inflation in the EC is worst in the weaker currency countries, including large economies such as Italy, the United Kingdom, and Spain.

In Germany, interest rates have risen in response to higher-than-expected inflation. German prices rose in the second

half of 1991 partly due to wage growth and greater-than-anticipated fiscal expenditures associated with German unification. The exchange rate linkages dictated by the European Monetary System (EMS) forced other countries to keep interest rates high in order to maintain the value of their currencies in relation to the strong Deutsche mark. Before the European currency crisis in September 1992, the forecasts were for steady or downward movement in Western European inflation rates. With the resulting currency depreciations, the prospects for moderate inflation in 1993 are less certain.

## **Employment Growth Falls**

Unemployment in Western Europe grew from 7.7 percent in 1990 to an estimated 8.2 percent of the labor force in 1991, and will probably be 8.8 percent for 1992 and remain unchanged in 1993 (figures 1.5 and 1.6). Countries in recession experienced job losses that were especially heavy in service industries and at management levels in the industrial sector. The German government moved to ease the effects of large scale unemployment in the former East Germany. All of the EFTA countries except Iceland had higher rates of unemployment in 1991 than in the year previous. Unemployment in Finland more than doubled to over 7 percent. Forecasters expect unemployment to peak in 1992 due to slower-than-expected economic growth, but to improve slightly in 1993 as labor demand picks up.

Employment growth in Western Europe has been falling, reflecting businesses' response to low domestic demand in sluggish economies. Demand in Germany is kept high partially by growth in real wages of 7.2 percent in 1991, compared with 2.0 percent in Italy and 1.4 percent in France, the lowest in the EC. The labor strike in Germany in late April 1992 paralyzed transportation and other services until the government agreed to large wage increases that should be reflected in the figures for 1992.

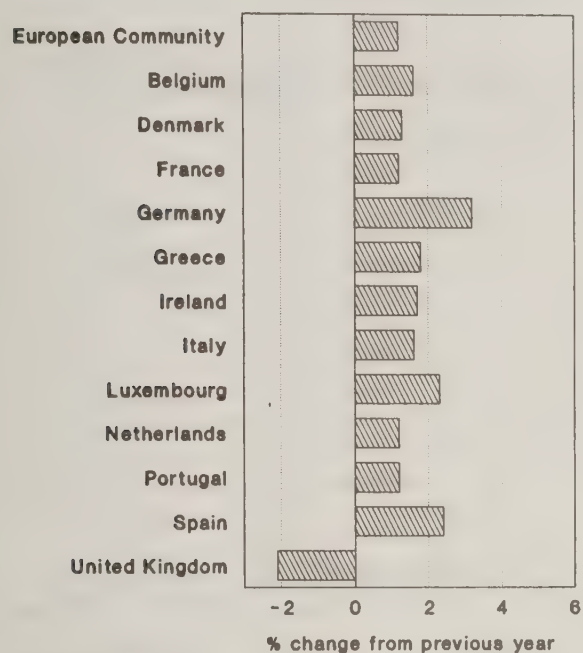
## **Trade Balance Dips Dramatically in 1991, Future Uncertain**

The current account balance for Western Europe dipped from \$10.4 billion in 1990 to an estimated -\$62.7 billion in 1991 (figures 1.7 and 1.8). The main factor was a reversal of Germany's current account balance from a surplus of \$46.3 billion in 1990 to a deficit of \$20.6 billion in 1991. Germany had been in the surplus column since at least 1985. Large German government transfers resulting from participation in the Gulf War effort in the first 6 months of 1991 were later offset somewhat by diminished east German import demand and an improved trade balance for Germany as a whole in the second half of the year.



Figure 1.1

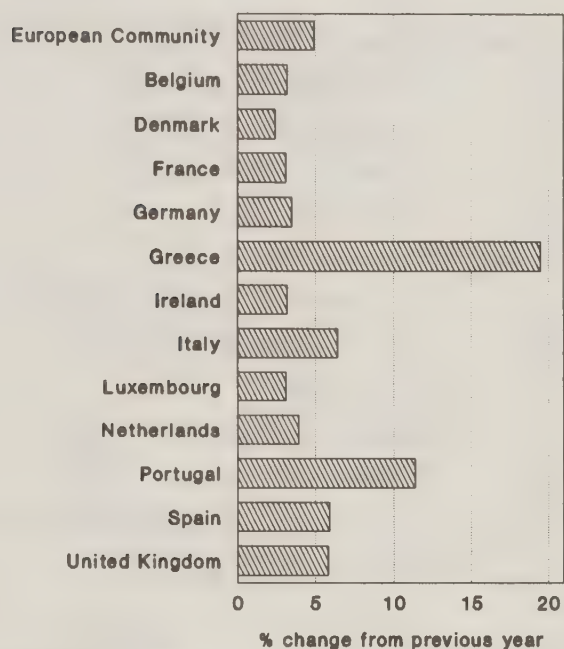
## EC Growth of Real GDP, 1991



Source: IMF and DRI.

Figure 1.3

## EC Consumer Prices, 1991



Source: IMF.

Figure 1.2

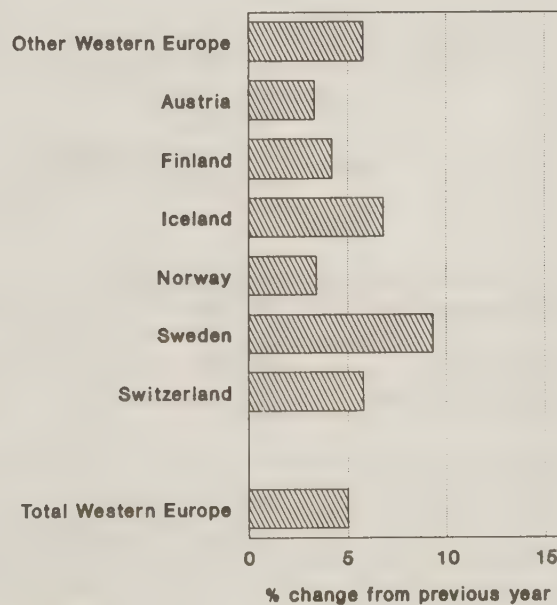
## Other Western Europe Growth of Real GDP, 1991



Source: OECD.

Figure 1.4

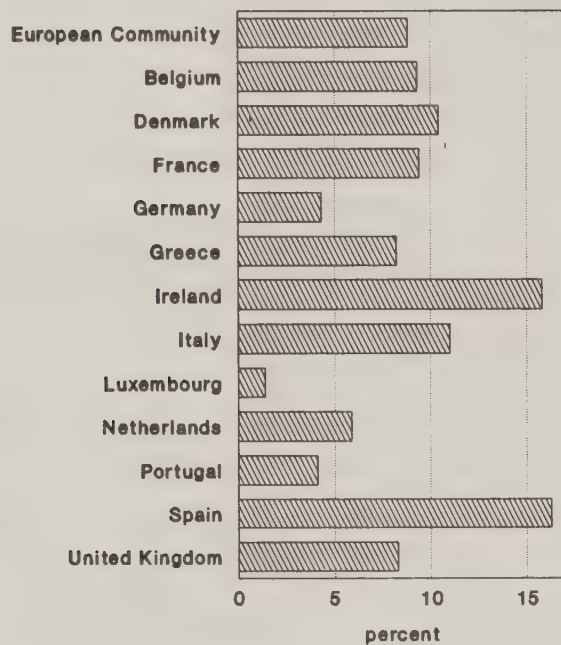
## Other Western Europe Consumer Prices, 1991



Source: IMF.

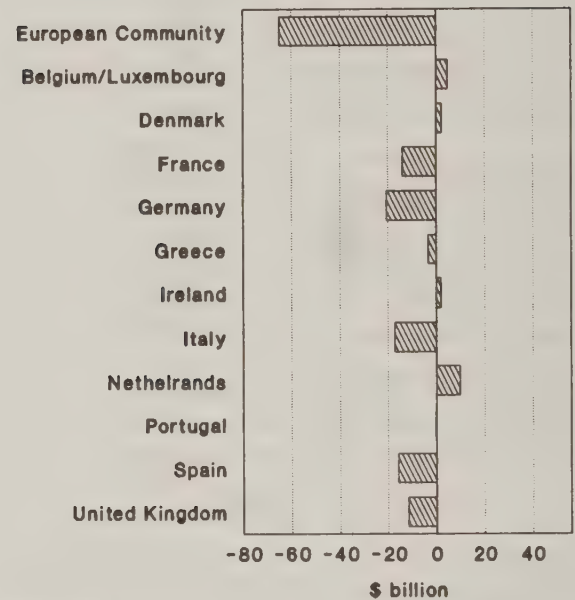


Figure 1.5  
EC Unemployment Rates, 1991



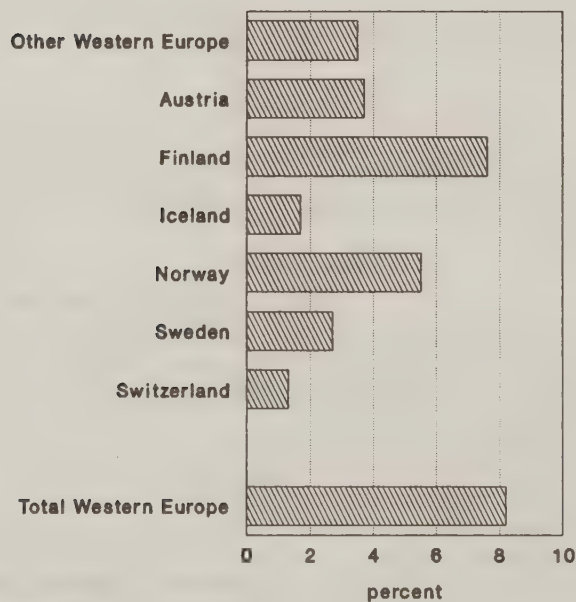
Source: OECD.

Figure 1.7  
EC Current Account Balances, 1991



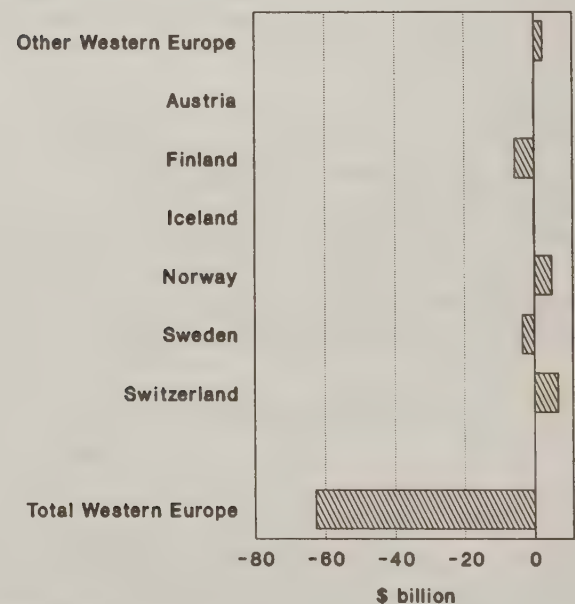
Source: IMF.

Figure 1.6  
Other Western Europe Unemployment Rates, 1991



Source: OECD.

Figure 1.8  
Other Western Europe Current Account Balances, 1991

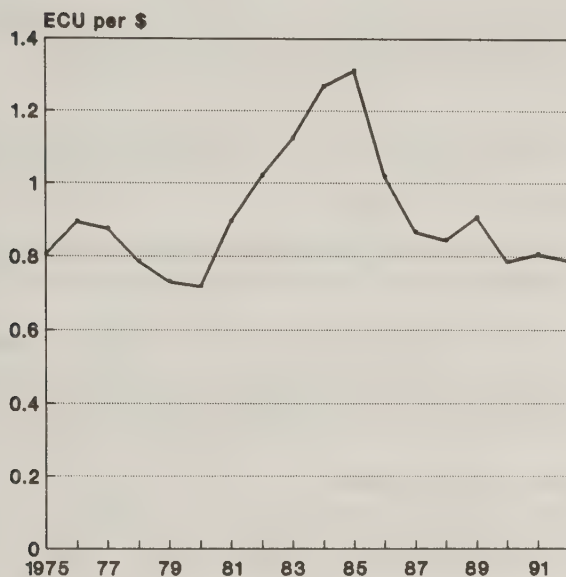


Source: IMF.



Figure 1.9

### Value of the U.S. Dollar in European Currency Units



Jan. - Jun. average for 1992  
Source: IMF.

Trade prospects vary for individual countries in Western Europe, particularly in light of uncertainty in the currency markets, but trade prospects for Western Europe as a region are expected to improve in 1992 and 1993 due to strong demand projected in Asia and Eastern Europe. France, Italy, Spain, and the United Kingdom are forecast to remain in deficit through 1993.

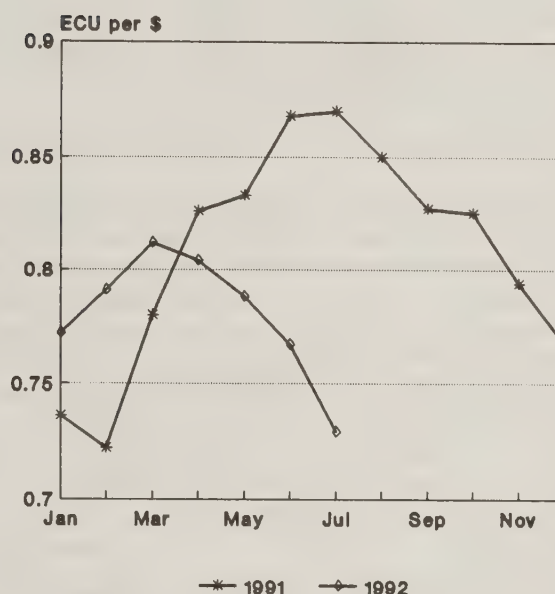
### Economic Divergence Leads to Currency Crisis in Western Europe

In late September 1992, the European currency system fell into crisis just prior to the French referendum on the Maastricht treaty advocating economic and monetary union. A convergence of economic factors, including high interest rates in Germany, ongoing recession in the United Kingdom, and huge budget deficits in Italy, forced many of the weaker EC currencies even lower against the German mark. Intervention by central banks to prop up the currencies under attack was unsuccessful due to the large volume of capital engaged in currency speculation. Finally, after a further depreciation of the pound and devaluation of the lira, the United Kingdom and Italy suspended participation in the Exchange Rate Mechanism of the EMS.

After hitting a 10-year low against the German mark in 1990, the U.S. dollar strengthened slightly during 1991 vis-a-vis the

Figure 1.10

### Value of the U.S. Dollar in ECUs



Source: EC Commission.

mark and most other EC currencies (figure 1.9). The U.S. dollar strengthened against the mark initially in early 1992 (figure 1.10), then began losing ground after March. The exchange rate sank to an all-time low in August 1992.

The continued high interest rate differential between the U.S. and Germany will likely keep the dollar from strengthening significantly against the mark. As for the value of the dollar against the European Currency Unit (ECU), much will depend on any new realignments of the EMS.

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# EC 1992/93 Price Package and Related Measures

*The 1992/93 price package is largely a roll-over of prices and stabilizer mechanisms for another year. The most significant change to the Commission's proposals was an agreement to repeal the coresponsibility levies for cereals. The price package is expected to do little to improve market equilibrium in the EC or stem the rise in budget expenditures under the Common Agricultural Policy (CAP).*

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EC farm ministers approved the 1992/93 farm price package on May 21, 1992 after reaching an agreement on reform of the Common Agricultural Policy (CAP). The approved package is largely a roll-over of 1991/92 prices and stabilizer mechanisms as proposed by the Commission in the middle of March. Most of the changes made to the Commission's proposals related to cereals and Mediterranean products.

The most significant change was an agreement by the Council not to extend the systems of basic and additional coresponsibility levies for cereals beyond 1991/92. The Council also stipulated that the 3 percent additional coresponsibility levy due from the 1991/92 marketing year not be collected. Agriculture Ministers from the southern EC countries were successful in obtaining a 15 ECU per ton increase in the production aid for olive oil and a 45 ECU per ton increase in the aid granted to small producers above those proposed by the Commission.

Major elements of the price package are summarized below and in table 2.1.

## Cereals

### Coresponsibility Levies

- Basic and additional coresponsibility levies are repealed.
- The 3 percent additional coresponsibility levy due from the 1991/92 marketing year will not be collected.

### Prices

- Intervention prices are frozen.
- Target prices are reduced by 0.21 percent for common wheat, 0.18 percent for durum wheat, and 0.24 percent for other cereals due to an updating of transportation costs.
- An automatic 3 percent reduction is applied to intervention, target and threshold prices as a result of the "stabilizer" mechanism.
- Spanish institutional prices are aligned with those of the EC-10 now that the transitional period has ended.
- Portuguese intervention prices for common wheat are reduced to the Community level and the aid provided is increased accordingly.

### Monthly Increments

- Increments are maintained at the current level for the major cereals.

### Special Premium for Breadmaking Wheat and Rye

- The premium is reduced by 3 percent in accordance with the 3 percent reduction in the intervention price.

### Aid for Durum Wheat

- The production aid is held constant. Spain is to receive the same aid level as in the EC-10.

## Rice

### Prices

- Intervention prices are held constant.
- The target price for husked rice is reduced slightly (-0.11 percent) due to the updating of transportation costs.
- Portuguese intervention prices are reduced by 1.83 percent as part of the second stage of aligning intervention prices with the Community level.

### Monthly Increments

- Increments are frozen at the current level.

## Sugar

### Prices

- The basic price for sugarbeets is held constant.
- The intervention price for white sugar is unchanged.
- The basic price for sugarbeets and the intervention price for white sugar in Portugal are aligned with Community prices concluding the seven-stage transition following accession.
- The Commission will submit proposals by the end of this year to deal with price alignment problems in Spain.

### Other

- The manufacturing margin is frozen.
- Reimbursement of storage costs is to be maintained at the current rate of 0.52 ECU per month.



## **Olive Oil**

### **Prices**

- The target price is held constant.
- The intervention price is reduced by 135 ECU (\$214) per ton, an amount equivalent to the increase in the production aid.
- The representative market price is reduced by 55 ECU (\$87) per ton.
- Prices in Spain and Portugal are derived from common prices in accordance with the Treaty rules on accession.

### **Aids**

- The production aid is increased by 135 ECU (\$214) per ton, compared with a 120 ECU (\$191) per ton increase proposed by the Commission.
- The aid granted to small producers is increased by 105 ECU (\$167) per ton, compared with a 60 ECU (\$95) per ton increase proposed by the Commission.
- The consumption aid is reduced by 80 ECU (\$137) per ton.
- Aids in Spain and Portugal are derived from common prices in accordance with the Treaty rules on accession.

## **Oilseeds**

- A new support system for oilseeds has already been decided on by the Council.

## **Protein Crops**

### **Pulses (peas, field beans, sweet lupins)**

- The Maximum Guaranteed Quantity (MGQ) system will be extended for the 1992/93 marketing year and current institutional prices will be maintained unchanged.

### **Dried Fodder**

- The guide price will remain unchanged.

### **Other Protein Crops (lentils, chick peas, and vetches)**

- The production aid is extended until the end of the 1992/93 marketing year at the current level of 75 ECU (\$119) per hectare.

## **Cotton**

### **Prices**

- The guide and minimum price are raised 7.23 percent in parallel with changes in quality criteria that reduce the proportion of production eligible for aid.

- The stabilizer system is extended for four years with the Maximum Guaranteed Quantity (MGQ) fixed at 701,000 tons.

- The price reduction that can be made in the course of a season due to estimated production exceeding the MGQ is limited to a maximum of 15 percent. Any excess over the 15 percent limit will be applied in the next season.

### **Aids**

- The aid for small producers (less than 2.5 hectares) is extended for four more years.

## **Wine**

- The guide price is maintained at the current level.
- The Commission will present proposals to reform the common organization for wine sometime this year.

## **Milk and Milk Products**

### **Prices**

- Target and intervention prices are maintained at current levels.
- Spanish intervention prices for butter and skim milk powder are reduced to the common intervention price in accordance with the Accession Treaty.
- The Portuguese intervention price is reduced 1.4 percent under the terms of accession to bring it closer to the common price.

### **Corresponsibility Levy**

- The levy will be maintained at its current level.

### **Quotas**

- The existing quota regime expired on April 1, 1992. The new quota regime is part of the reform of the CAP.

### **Inward Processing**

- Inward processing has been suspended, with the exception of certain products. This suspension and the exemption will continue in 1992/93.

## **Beef**

### **Prices**

- Guide and intervention prices are frozen.

### **Intervention**

- No change in current regulations concerning intervention.

### **Premia**

- The special beef premium will remain unchanged at 40 ECU (\$64) per animal (up to a maximum of 90 animals).



Table 2.1: EC agricultural prices, 1991/92 and 1992/93

Product and type of price or amount (Period of application)	EC-10			Spain			Portugal 1/		
	1991/92	1992/93	Change	1991/92	1992/93	Change	1991/92	1992/93	Change
	---ECU/ton---		Percent	---ECU/ton---		Percent	---ECU/ton---		Percent
Common wheat (7/1/92-6/30/93)									
- Target price	233.26	232.76	-0.21	233.26	232.76	-0.21	233.26	232.76	-0.21
- Intervention price breadmaking wheat 2/	168.55	168.55	0.00	168.55	168.55	0.00	210.80	168.55	-20.04
- (Intervention price feed wheat)	160.13	160.13	0.00	160.13	160.13	0.00	200.26	160.13	-20.04
Barley (7/1/92-6/30/93)									
- Target price	212.33	211.83	-0.24	212.33	211.83	-0.24	212.33	211.83	-0.24
- Intervention price	160.13	160.13	0.00	160.13	160.13	0.00	160.13	160.13	0.00
Maize (7/1/92-6/30/93)									
- Target price	212.33	211.83	-0.24	212.33	211.83	-0.24	212.33	211.83	-0.24
- Intervention price	168.55	168.55	0.00	168.55	168.55	0.00	168.55	168.55	0.00
Sorghum (7/1/92-6/30/93)									
- Target price	212.33	211.83	-0.24	212.33	211.83	-0.24	212.33	211.83	-0.24
- Intervention price	160.13	160.13	0.00	160.13	160.13	0.00	160.13	160.13	0.00
Rye (7/1/92-6/30/93)									
- Target price	212.33	211.83	-0.24	212.33	211.83	-0.24	212.33	211.83	-0.24
- Intervention price 3/	160.13	160.13	0.00	160.13	160.13	0.00	160.13	160.13	0.00
Durum wheat (7/1/92-6/30/93)									
- Target price	277.21	276.71	-0.18	277.21	276.71	-0.18	277.21	276.71	-0.18
- Intervention price	227.70	227.70	0.00	216.48	227.70	5.18	227.70	227.70	0.00
- Aid (ecus/ha)	181.88	181.88	0.00	146.34	181.88	24.29	181.88	181.88	0.00
Rice (9/1/92-8/31/93)									
- Target price - husked rice	546.13	545.52	-0.11	546.13	545.52	-0.11	546.13	545.52	-0.11
- Intervention price - paddy rice	313.65	313.65	0.00	313.65	313.65	0.00	338.39	332.21	-1.83
Sugar (7/1/92-6/30/93)									
- Basic price for sugar beet	40.00	40.00	0.00	46.84	46.08	-1.60	42.83	41.57	-2.90
- Intervention price for white sugar	53.01	53.01	0.00	61.29	59.57	-2.80	53.35	54.22	1.60
Olive oil (11/1/92-10/31/93)									
- Production target price	3,220.10	3,220.10	0.00	3,220.10	3,220.10	0.00	3,220.10	3,220.10	0.00
- Intervention price	2,158.70	2,023.70	-6.20	1,853.10	1,832.70	-1.10	2,096.50	1,984.80	-5.30
- Production aid	708.30	843.30	19.10	458.50	554.70	21.00	425.30	529.80	24.60
- Consumption aid	539.00	459.00	-14.80	456.70	457.50	0.20	494.20	482.50	-1.40
Peas and field beans (7/1/92-6/30/93)									
- Activating price	440.10	440.10	0.00	440.10	440.10	0.00	440.10	440.10	0.00
- Guide price	290.30	290.30	0.00	290.30	290.30	0.00	290.30	290.30	0.00
- Minimum price - peas	253.40	253.40	0.00	253.40	253.40	0.00	253.40	253.40	0.00
- field beans	234.70	234.70	0.00	234.70	234.70	0.00	234.70	234.70	0.00
Lupins (7/1/92-6/30/93)									
- Activating price	423.40	423.40	0.00	423.40	423.40	0.00	423.40	423.40	0.00
- Minimum price	284.20	284.20	0.00	284.20	284.20	0.00	284.20	284.20	0.00
Cotton (9/1/92-8/31/93)									
- Guide price	958.60	1,027.90	7.23	958.60	1,027.90	7.23	958.60	1,027.90	7.23
- Minimum price	910.70	976.50	7.23	910.70	976.50	7.23	910.70	976.50	7.23
Milk (4/1/92-3/31/93)									
- Target price	268.10	268.10	0.00	268.10	268.10	0.00	268.10	268.10	0.00
Butter									
- Intervention price	2,927.80	2,927.80	0.00	3,024.90	2,927.80	-3.20	2,927.80	2,927.80	0.00
Skimmed milk powder									
- Intervention price	1,724.30	1,724.30	0.00	2,026.70	1,724.30	-14.90	2,100.00	2,070.00	-1.40
Beef/veal (4/2/92-3/31/93)									
- Guide price for adult bovine animals 4/	2,000.00	2,000.00	0.00	2,000.00	2,000.00	0.00	2,000.00	2,000.00	0.00
- Intervention price: quality R 3, cat. A	3,430.00	3,430.00	0.00	3,430.00	3,430.00	0.00	3,430.00	3,430.00	0.00
- Intervention price: quality R 3, cat. C	3,430.00	3,430.00	0.00	3,430.00	3,430.00	0.00	3,430.00	3,430.00	0.00
Sheepmeat (7/1/92-6/1/93)									
- Basic price (carcass weight)	4,229.50	4,229.50	0.00	4,229.50	4,229.50	0.00	4,229.50	4,229.50	0.00
Pigmeat (7/1/92-6/30/93)									
- Basic price (carcass weight)	1,897.00	1,897.00	0.00	1,897.00	1,897.00	0.00	1,897.00	1,897.00	0.00

1/ Portuguese producers receive special assistance to grow common wheat, barley, maize, sorghum, and rye (R. 3653/90).

2/ For the 1991/92 marketing year, this price was increased 3.37 ecu/t for a higher quality.

3/ For the 1991/92 marketing year, this price was increased 4.22 ecu/t for a higher quality.

4/ Price per ton liveweight.

Source: Commission of the European Communities.

- The suckler cow premium is fixed at the 1991/92 level of 50 ECU (\$79) per head with the possibility of a national supplement limited to 25 ECU (\$40) per head. The EC will pay the first 20 ECU (\$32) per head of the national supplement for Greece, Ireland, and Northern Ireland.

### Sheepmeat

- The basic price for the 1992 marketing year was fixed in the 1991/92 price package (-2 percent).
- The basic price is frozen at the 1992 level for the 1993 marketing year.
- The peak and trough levels of the 1992 seasonalized price will be reduced by 25 percent.

### Pigmeat

- The basic price is frozen at the 1991/92 level for the 1992/93 marketing year.

The 1992/93 farm price package is the last price package before completion of the Single Market. In July 1988, it was agreed that monetary gaps (the difference between agricultural conversion rates and central rates) should be dismantled before January 1, 1993. This would avoid the continuation of Monetary Compensatory Amounts (MCAs) after border controls are abolished (see "EC Proposes Reform of Agrimonetary System" on page 73).

The Commission proposed in the price package to reduce all existing monetary gaps to 1.5 percent, the level at which monetary compensatory amounts no longer apply. The Council agreed to the reductions for all member states except Spain and Portugal. For Spain, the monetary gaps will be dismantled by half of the differences between the present monetary gaps and 2 percentage points. For Portugal, the monetary gaps will be modified so that the effect on Portuguese prices will be the same as the effect on Spanish cereals and sugar prices. As a result, green rates were adjusted for Spain, Portugal, and Greece. Green rates in the United Kingdom will remain unchanged given the low level of the current U.K. monetary gap. The Council prescribed that the remaining gaps and any new gaps that might be created be dismantled when the agrimonetary arrangements associated with the single market enter into force.

The 1992/93 farm price decisions kept most commodity prices constant, resulting in only a slight price increase in ECU and national currency terms for the EC as a whole. Changes in green rates mean that Greece benefits from higher prices in its national currency while prices in Spain and Portugal decline (table 2.2).

[Michael T. Herlihy (202) 219-0620]

**Table 2.2: Effect of 1992/93 price decisions on support prices for agricultural products 1/**

Country	Price change from 1991/92 2/	
	In ECU	In national currency 3/
	-----Percent-----	
Belgium	0.0	0.0
Denmark	0.0	0.0
France	0.0	0.0
Germany	0.0	0.0
Greece 4/	0.0	6.1
Ireland	0.0	0.0
Italy	0.0	0.0
Luxembourg	0.0	0.0
Netherlands	0.0	0.0
Portugal 5/	-0.8	-1.9
Spain 5/	1.2	-0.4
U.K.	0.0	1.0
EC-12	0.1	0.2

1/ Excluding impact of stabilizers.

2/ Policy price (intervention price or equivalent) weighted by the share of various products in the value of agricultural production.

3/ Common prices in ECU, converted at green rates decided by the Council.

4/ Including effect of automatic dismantling.

5/ Including effect of alignment of Spanish and Portuguese prices under accession terms.

Source: EC Commission.

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## EC Agricultural Support Continues To Climb

*Spending on agricultural support from the EC budget is set to reach a new record high in 1992. The Commission has approved another increase in the budget for 1993 following agreement on CAP Reform and the 1992/93 price package. Total EC agricultural support, including transfers from national governments and consumers, remains at record levels although average disposable income of agricultural households now is typically higher than that of non-farm households.*

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The EC allocated a record 35.039 billion ECU (\$48.08 billion) for agricultural price and income support in 1992, up 13 percent from 1991 and 33 percent above 1989 and 1990 (table 3.1). This represents a significant increase in funding for farm support only 1 year after the budget was expanded to cover the costs incurred in bringing the former East Germany under the EC's Common Agricultural Policy (CAP).

The agricultural budget, which makes up the Guarantee section of the European Agricultural Guidance and Guarantee Fund (EAGGF), was raised to the level of the agricultural guideline for 1992. The guideline, imposed by the European Council at the 1988 Summit to rein in incessant increases in budget costs, is the maximum amount the EC can spend on the Guarantee section of its agricultural budget. The guideline limits the growth in spending to 74 percent of the growth in real GNP. By setting the 1992 agricultural budget at the ceiling imposed by the spending guideline, the EC left itself no margin for overspending.

### ***Oilseed Payment, Storage Costs for Grains and Beef Add to Spending***

A number of factors contributed to the increased appropriations for 1992 compared with actual spending in 1991. Appropriations for the dairy sector, historically the largest part of the agricultural budget, are up only 1 percent to 5.7 billion ECU (\$7.8 billion). Appropriations for grains, on the other hand, jumped 24 percent to 6.3 billion ECU (\$8.6 billion), exceeding those for milk and milk products for the first time. Funding was increased to cover the cost of storing record quantities of grain purchased by intervention agencies and to pay for expected increases in export refunds.

Spending on oilseeds is slated to grow from 3.6 to 3.8 billion ECU (\$4.9 to \$5.2 billion), an increase of 7 percent from 1991. Most of the increase is due to the new oilseed program, which requires advance payment of compensation during the 1992 budget year. Advance payments of up to 50 percent of the aid may be requested by oilseed producers.

In 1991, actual spending for beef and veal exceeded appropriations by 2.3 billion ECU (\$3.2 billion). The increase was caused by record intervention stocks and high depreciation costs. Appropriations for 1992 are 8 percent above 1991 spending levels, but 99 percent above the 1991 appropriations level. Appropriations for 1992 were increased to cover higher anticipated costs for export refunds and storage aids.

Final 1992 EC expenditures for the Guarantee section, however, are expected to be well below allocations. Figures for the first 10 months of the 1992 budget year show that agricultural expenditures are running below target in spite of the weakening of the dollar (which increases export refund costs) and overruns in the sheep and goat, tobacco, and textile crops sectors. The Commission estimates that actual farm spending in 1992 will total 31.973 billion ECU (\$43.9 billion), 9 percent under budget allocations and the guideline, but nearly 1 billion ECU (\$1.37 billion) above the 1991 record. This follows an increase of 4.5 billion ECU (\$6.2 billion) from 1990 to 1991.

### ***Budget for 1993 Increases, But Still Within Guideline***

The EC Budget Council has approved a 1993 total budget for the Community of 69.2 billion ECU (\$95 billion), 10 percent above the 1992 budget of 62.8 billion ECU. The agricultural budget is expected to account for 34.042 billion ECU (\$46.7 billion) in 1993, down 3 percent from 1992 appropriations but 6.5 percent higher than current estimates of expenditures for 1992. The agricultural budget for 1993 includes an increase of 1.9 billion ECU (\$2.6 billion) from the original budget proposals submitted by the Commission in May due to the CAP Reform agreement and the 1992/93 price package. Despite the increase, the agricultural budget is 2.6 billion ECU (\$3.6 billion) below the spending guideline for 1993 (see "EC Negotiating New Long-term Budget Plan on page 79).

### ***Consumers Pay the Most To Support Agriculture***

Much of the public debate over the CAP is centered on the EC agricultural budget. However, other EC programs, national governments, and consumers pay a large share of the total cost of supporting agriculture in the Community.

The figures presented above for the EC agricultural budget do not include outlays for the Guidance section of the EAGGF (which covers spending aimed at improving agricultural structures). For 1992, the EC allocated 2.6 billion ECU (\$3.6 billion) to pay for projects funded under the Guidance section. Annual expenditures by individual member states to support agriculture are estimated at about 10 billion ECU (\$13.7 billion) by the Organization for Economic Cooperation and Development (OECD).

The heaviest burden to maintain the CAP is placed on consumers. EC consumers pay higher food prices because the CAP maintains domestic prices for agricultural products well above world levels and restricts competitively priced imports.

Table 3.1: Expenditure from the European Agricultural Guidance and Guarantee Fund (EAGGF) - Guarantee Section

	1983	1984	1985	1986	1987 1/	1988 2/	1989 3/	1990 4/	1991 5/	1992 6/
<b>Title I: Crops</b>	<b>Million ECU</b>									
Cereals	2,441	1,650	2,310	3,391	4,138	4,264	3,150	3,800	5,077	6,308
Rice	93	48	50	94	99	73	112	85	112	115
Sugar	1,316	1,632	1,805	1,726	2,036	2,082	1,980	1,388	1,815	2,110
Olive oil	675	1,096	692	604	1,139	945	1,465	1,168	1,874	1,759
Oilseeds	946	656	1,111	2,028	2,687	2,972	2,674	3,477	3,550	3,792
Protein plants	142	216	373	460	587	689	643	835	959	893
Fiber plants	160	108	240	565	306	454	600	580	522	664
Fruit and vegetables	1,196	1,455	1,231	986	967	708	1,019	1,253	1,107	1,570
Wine	659	1,223	921	631	800	1,546	1,148	745	1,048	1,775
Tobacco	671	776	863	782	804	966	1,139	1,232	1,330	1,307
Other measures - crops	56	52	55	56	44	60	84	85	68	146
<b>Total Title I</b>	<b>8,356</b>	<b>8,910</b>	<b>9,650</b>	<b>11,322</b>	<b>13,608</b>	<b>14,759</b>	<b>14,011</b>	<b>14,648</b>	<b>17,461</b>	<b>20,439</b>
<b>Title II: Livestock</b>										
Milk and milk products	4,396	5,442	5,933	5,406	5,013	5,915	4,987	4,956	5,637	5,695
Beef and veal	1,737	2,548	2,746	3,482	2,149	2,476	2,429	2,833	4,295	4,636
Sheep and goatmeat	306	434	502	617	574	1,294	1,453	1,452	1,790	1,821
Pigmeat	145	196	165	152	159	216	261	247	252	263
Eggs and poultry	123	70	63	98	152	194	234	179	169	259
Other measures - livestock	--	--	--	--	--	--	--	--	--	22
<b>Total Title II</b>	<b>6,707</b>	<b>8,688</b>	<b>9,410</b>	<b>9,754</b>	<b>8,046</b>	<b>10,094</b>	<b>9,363</b>	<b>9,667</b>	<b>12,143</b>	<b>12,696</b>
<b>Title III: Other</b>										
Non-Annex II products	343	382	441	503	590	602	552	512	704	672
ACAs	--	--	--	--	18	64	42	37	28	37
MCAs	488	376	190	482	637	505	323	271	131	36
Community compensation aid	--	--	136.4	113.5	--	--	--	--	--	--
Food aid	--	--	--	--	259	243	133	86	217	298
Interest on prefin.exp.	--	--	--	--	--	38	49	67	85	96
Deprived persons	--	--	--	--	--	66	133	137	145	150
Anti-fraud measures	--	--	--	--	--	--	--	3	21	24
Clearance of accounts	-108	-26	-99	-55	-208	29	-203	-378	-438	--
Rural development	--	--	--	--	--	--	--	--	388	394
<b>Total Title III</b>	<b>723</b>	<b>733</b>	<b>668</b>	<b>1,043</b>	<b>1,296</b>	<b>1,547</b>	<b>1,028</b>	<b>733</b>	<b>1,281</b>	<b>1,707</b>
Set-Aside	--	--	--	--	--	--	3	21	77	180
Reserves and provisions	--	--	--	--	--	--	--	--	--	17
<b>Total guideline expenditures 7/</b>	<b>15,786</b>	<b>18,331</b>	<b>19,727</b>	<b>22,119</b>	<b>22,950</b>	<b>26,400</b>	<b>24,405</b>	<b>25,069</b>	<b>30,962</b>	<b>35,039</b>
<b>Maximum spending guideline 8/</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>27,500</b>	<b>28,624</b>	<b>30,630</b>	<b>32,511</b>	<b>35,039</b>
Fisheries guarantee fund	26	16	16	18	17	47	24	24	26	29
Depreciation of stocks	--	--	--	--	--	1,240	1,443	1,361	797	810
Carryover from previous year	--	--	--	--	--	--	--	--	602	--
<b>Total EAGGF - guarantee</b>	<b>15,811</b>	<b>18,347</b>	<b>19,744</b>	<b>22,137</b>	<b>22,968</b>	<b>27,687</b>	<b>25,872</b>	<b>26,453</b>	<b>32,387</b>	<b>35,878</b>

Totals may not add in some cases due to rounding.

1/ Charged against 1987 budget (Jan. 1, 1987 to Oct. 31, 1987); remainder of year budgeted against 1988.

2/ Charged against 1988 budget (Nov. 1, 1987 to Oct. 15, 1988); remainder of year budgeted against 1989.

3/ Charged against 1989 budget (Oct. 16, 1988 to Oct. 15, 1989); remainder of year budgeted against 1990.

4/ Charged against 1990 budget (Oct. 16, 1989 to Oct. 15, 1990); remainder of year budgeted against 1991.

5/ Charged against 1991 budget (Oct. 16, 1990 to Oct. 15, 1991); remainder of year budgeted against 1992.

6/ Budget appropriations for 1992.

7/ Expenditures charged against the guideline.

8/ Instituted in 1988.

Source: EC Commission.



According to OECD estimates (table 3.2), consumer transfers associated with agricultural policies amounted to 67.7 billion ECU (\$92.9 billion) in 1991 (the most recent year available), nearly 60 percent of the estimated total transfers to agriculture of 114.7 billion ECU (\$157.4 billion). Total transfers to support agriculture in the EC exceeded those in the U.S. by nearly 50 billion ECU (\$68.6 billion) in 1991, according to OECD estimates.

One of the founding principles of the EC, enshrined in the Treaty of Rome, is that the basic aim of the CAP is "to ensure a fair standard of living for the agricultural population,...to guarantee regular supplies,...and to ensure reasonable prices in supplies to consumers." The cost of this three-pronged policy has been substantial and the goals not totally met. As total transfers to agriculture approach \$160 billion, EC consumers pick up 60 percent of the cost as they spend 17.2 percent of their disposable income on food, compared with 9.8 percent in the United States. Since 1980, growth in the EAGGF budget in real terms has outstripped the increase in real gross national product and final agricultural output in the EC-12 (figure 3.1).

Over the same period, agricultural employment (measured in annual work units) has declined and agricultural households have increased the amount of income they receive from outside agriculture. A recent report released by EUROSTAT, the official EC statistical office, indicates that for agricultural households, typically only about "a half to two-thirds of the total income comes from farming," although there are substantial differences across member states. In addition, the study reports that the average disposable income of an agricultural household now is typically higher than that of a non-farm household.

In recent years, large structural surpluses of CAP commodities and escalating budget costs to support agriculture have led to increasing criticism of EC agricultural policy and calls for reform of the CAP. Under the CAP Reform compromise,

price cuts and set asides may help reduce surpluses and lower costs to consumers, but CAP Reform as adopted is not likely to reduce the cost of farm support.

CAP Reform changes the way support is provided and shifts some of the burden of agricultural support from consumers to taxpayers through the EC budget. In the medium term, the EC will have to increase expenditures to cover income compensation, set-aside, and other CAP Reform payments. Unless these payments are reduced or phased out over time, it is unlikely that CAP Reform will lead to a significant reduction

Figure 3.1

### Trends in Economic Indices for the EC-12

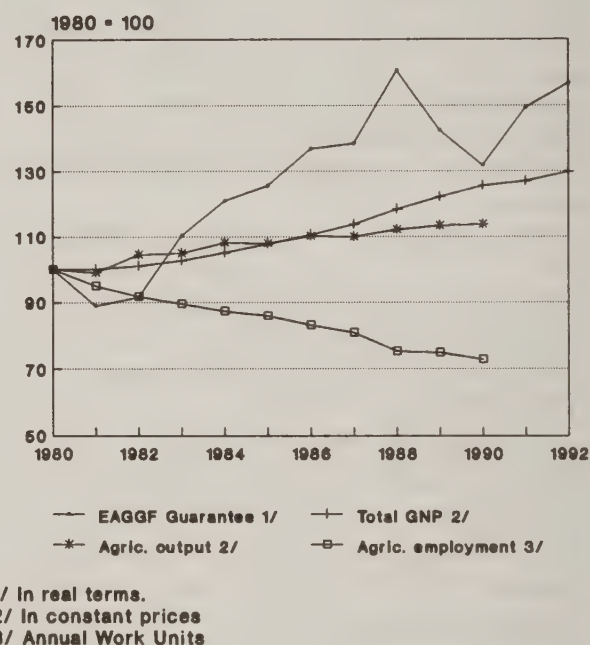


Table 3.2: Total transfers associated with EC agricultural policies

	1987	1988	1989	1990
Billion ECU				
Transfers from taxpayers 1/	33.1	38.6	37.5	38.8
Transfers from consumers 2/	71.7	63.5	56.2	67.0
Budget revenues 3/	0.8	0.8	0.7	0.8
Total transfers	104.0	101.2	93.0	105.1

1/ Includes both EC and member state expenditure.

2/ Defined as the implicit tax on consumers due to market price support including the effect of border policies.

3/ Budget revenues arising from price policies estimated by multiplying the tariff or the price wedge on imports by the difference between consumption and production for the relevant commodities.

Source: OECD Secretariat estimates.

in EC budget expenditures. In addition, some member states have already announced that they will increase national spending on farm support in the wake of CAP Reform.

[Michael T. Herlihy (202) 219-0620]

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# Agricultural Income in the EC

*Lower prices for animal products contributed to a second consecutive annual decline in EC farm income. With no increase in support prices, and crops affected by a severe drought in northern Europe, there is little prospect for a turnaround in 1992. The declines in farm income in 1990 and 1991, and prospects for 1992, have contributed to farmers' resistance to further CAP reform.*

## **Farm Income Falls Again in 1991**

Agricultural income in the EC fell an estimated 2.5 percent in real terms in 1991, following a 2.4-percent drop in 1990. The decline is mainly attributable to falling producer prices for animal products in both nominal and real terms due to oversupply and low-priced imports. The cost-price squeeze worsened for EC farmers as prices paid for inputs rose at a faster rate than prices received for the goods they produce. Declining farm income could jeopardize the reform process by making additional reforms politically difficult.

### **Measuring Farm Income in the EC**

Agricultural income in the EC is measured by real net value added per annual work unit. This indicator measures revenues from agricultural production after accounting for inflation. Based on the agricultural accounts framework, it includes revenues from production available for payments to factors of production employed in agriculture plus subsidies (defined as direct transfers to agriculture). Intermediate consumption (the value of goods and services used in agricultural production), taxes linked to production, and depreciation (the implicit cost of "wear and tear" on buildings and equipment) are deducted. The resulting figure is divided by "annual work units," which represent changes in the labor force input, including hired and non-hired labor. One AWU is equivalent to one person employed full-time in agriculture for the whole year.

Other sources of income—notably, off-farm income, and income such as pensions, property income, and social transfers—are not included. The omission of off-farm income is significant, because the EC Commission estimates that almost one-third of farmers work off-farm (Agricultural Situation in the Community). The EC's measure of agricultural income also does not account for certain deductions from income, such as taxation and social contributions. Consequently, the EC's farm income indicator does not correspond to the personal incomes of farmers and their households. It provides, nonetheless, an indication of the performance of the Community's agricultural sector, using data from the national accounts.

## **Real Value of Production Falls, Volume Stable**

The value of agricultural production, in inflation-adjusted terms, fell 4.4 percent in 1991. The largest declines were for oilseeds and wine, sugarbeets, fresh fruits, and most animal products. The volume of agricultural production was stable overall, falling only 0.1 percent from 1990. There was some growth in animal production, while crop production probably declined slightly. Fresh fruit, wine, oilseeds, and sugarbeet production all fell, while only output of cereals and olive oil rose more than 1 percent. Production of pigs, sheep and goats, and poultry rose from 2 to 6 percent, while cattle production was stable for the Community as a whole. Milk production declined throughout the EC, the result of a further reduction in the dairy production quotas.

## **Real Producer Prices Fall**

For the Community as a whole, producer prices rose an average 1.2 percent in nominal terms, but fell 4.3 percent in real terms. Producers experienced real price declines of 6 percent or more in Spain, Ireland, the U.K., Luxembourg, and Portugal. Livestock markets were glutted by herd reductions in the former East Germany, depressing producer prices. Price declines were the largest for cattle and sheep, where supply/demand imbalances and low-priced imports combined with support price cuts to weaken producer prices.

Prices rose in nominal terms for most crops, except oilseeds, cereals, and wine, where declines ranged from -0.3 to -11 percent. Price reductions resulted from a large crop, an increase in producer levies for cereals, and oilseed support price cuts. Falling wine consumption exacerbated the price-depressing effect of high wine stocks. Real crop prices fell 1.7 percent, with declines in wine, cereals, and oilseeds largely offsetting 8- to 9-percent increases in fresh fruit and olive oil prices. With 1992/93 support prices maintained at 1991/92 levels or reduced by "stabilizers"—policy instruments that reduce support when production exceeds established ceilings—support prices offer little prospect for raising farm income in 1992.

Inflation, measured by the Gross Domestic Product (GDP) price deflator, was highly variable, ranging from 1.8 percent in Denmark to 20.0 percent in Greece. The total agricultural labor input fell an average 3.7 percent. The continued decline in the farm labor force allowed a smaller decline in the agricultural income indicator per annual work unit than indicated by aggregate agricultural income.



### Intermediate Consumption Lower

The value of intermediate consumption fell 2 percent in real terms. Producers used roughly the same volume of inputs despite a 2.5-percent drop in the real prices of inputs (specifically, animal feed and fertilizers). Although the changes in the volume of intermediate consumption and final production were small (0.5 and -0.1 percent), input use is growing at a faster rate than output, indicating a deterioration in the apparent productivity of EC agriculture.

### Cost-Price Squeeze Tightens

In the short run, the relative movements in prices received by producers and in prices that they pay for their inputs largely determine the behavior of gross margins for agricultural products. In 1991, the prices farmers received for their products fell at a faster rate (-4.3 percent) than the prices they paid for inputs (-2.5 percent).

### Member Countries' Performance Mixed

Agricultural income in 1991 fell in real terms in most member countries (figure 4.1), with large declines (more than 10 percent) occurring in Denmark, France, Germany, Portugal and Luxembourg. Poor harvests, declines in prices and production of animal products, and drops in nominal grain and oilseed prices (larger in real terms) adversely affected income in these countries. Farm income in Spain improved slightly, owing mainly to increased government transfers to the agricultural sector, and a contraction of the agricultural labor force. Significant improvement occurred in the Netherlands, Greece, and Italy due to the combined effect of larger production and the fact that nominal price increases for most products outstripped inflation.

### Farm Income Varies Over the Decade

Since 1980, farm income has risen 14 percent in real terms (figure 4.2). The increase has not been steady—year-to-year changes have ranged from -5 to 11 percent. Because EC farmers are protected to a large extent from price volatility resulting from both world market price and exchange rate swings, much of the fluctuation in farm income has traditionally come about from volatility in production.

However, in recent years several factors may have contributed to price-based fluctuations in farm income: the oversupply situation for some products has worsened within the EC; agricultural policy reforms have weakened intervention as a means of removing surplus product from the domestic market; and so-called "stabilizers" adopted in the late 1980's, which cut support prices when production exceeds set limits, have introduced a new source of price variability and have had an income-depressing effect for some commodities. Two enlargements in the 1980s added relatively poor countries (Greece, Spain, and Portugal) to the Community, further contributing to declines in average EC farm income.

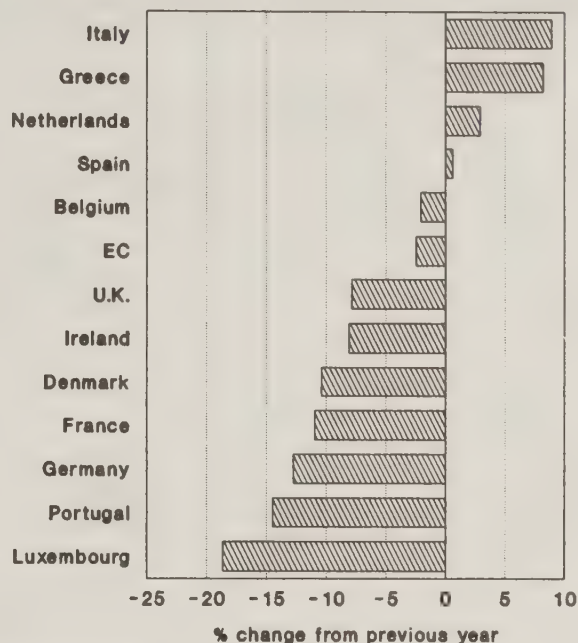
### Implications for Reform Process

Declining farm income has no doubt contributed to EC farmers' resistance to measures set forth in the program of CAP reform undertaken by the Community. Already, farmers in

France have staged demonstrations in protest of price cuts included in the reform package. The CAP reform measures adopted in May 1992 did not include all commodities. Weak farm income could strengthen farmer resistance to more widespread reforms. Further declines in farm income could also

Figure 4.1

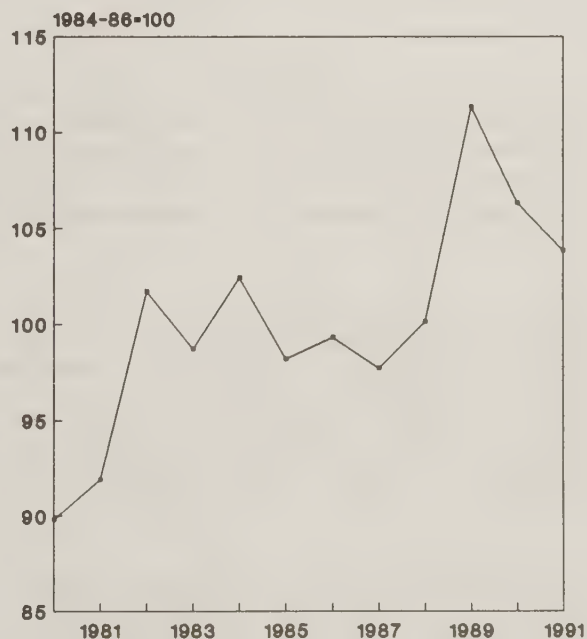
### Change in Farm Income, 1991



Source: Eurostat.

Figure 4.2

### EC-12 Agricultural Income



Source: Eurostat.



jeopardize the pace of reform, and put pressure on national governments to provide additional support to their farmers. France announced in July that it would ease the burden of EC subsidy cuts on French farmers by offering tax breaks and welfare subsidies.

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# U.S.-EC Agricultural Trade

*U.S. exports to and imports from the European Community dropped slightly in fiscal 1991. Export sales of beef and veal, wheat, soybeans, and cotton all fell from the previous fiscal year. Imports of EC beef and veal, casein, and tomatoes (including paste) dropped substantially. U.S. exports to the EC are expected to expand in fiscal 1992, led by sales of beef, pork, and oilseeds and products.*

## Decline in Imports Reverses Recent Trend

U.S. agricultural imports from the EC dropped in fiscal 1991 for the first time since 1988 (table 5.1). While EC sales of agricultural products to the U.S. increased throughout the 1980s, U.S. exports to the Community have eroded considerably. At only \$2.3 billion, the U.S. trade surplus with the EC for agricultural products in fiscal 1991 was only 26 percent of the 1980 level (figure 5.1).

The overall decline in U.S. imports of EC agricultural products from fiscal 1991 was slight, only 0.4 percent, but a number of individual commodities fell considerably. In value terms, imports of beef and veal fell 47 percent, casein and mixtures 41 percent, and tomatoes (including paste) 34 percent.

Imports of beef and tomatoes fell in fiscal 1990 as well, affected by high U.S. duties imposed in 1989. By contrast, casein imports from the EC have been rising over the past several years. In 1990 and 1991, however, EC production of casein fell, and the EC increased its own imports.

The quantity of beef, casein and tomatoes imported did not drop as much as the value. By contrast, the volume decline was larger than the drop in value terms for a number of other commodities. Cheese imports fell nearly 11 percent in quantity and only 5 percent in value. Wine and malt beverages declined 15 and 7 percent in volume terms, but less than 1 percent in value.

## U.S. Exports Continue to Drop

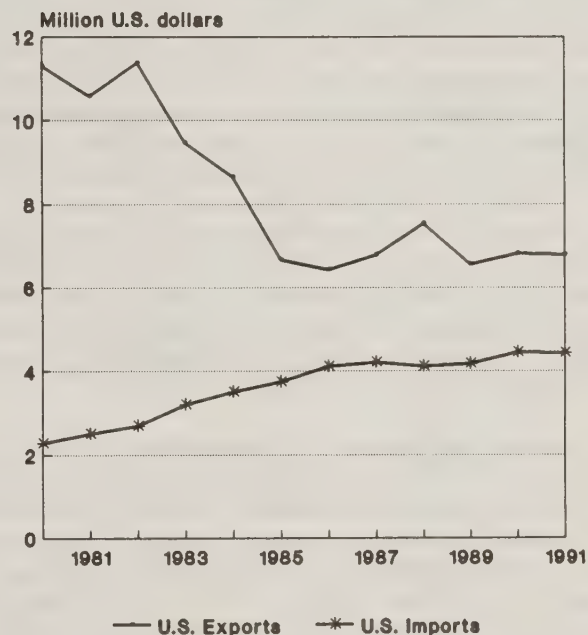
U.S. agricultural exports to the EC fell slightly in fiscal 1991 (table 5.2). Exports of beef and veal continued to decline under the impact of the hormone ban. The delisting of all U.S. beef slaughter plants for more than 4 months in early 1991 contributed to lower exports. Sales dropped 25 percent in value and more than 50 percent in volume against fiscal 1990. Wheat and wheat flour exports fell again in fiscal 1991, as did rice exports.

While still the most significant export category, accounting for 28 percent of the total, oilseeds and products fiscal year exports have not increased since 1987, when they represented 40 percent of U.S. exports to the EC. Soybean meal exports recovered somewhat in fiscal 1991, increasing 33 percent, after falling 82 percent in fiscal 1990. Soybean meal exports are only 5 percent of their fiscal 1987 levels, and soybean sales have dropped 26 percent since then.

Unlike beef exports, pork exports in fiscal 1991 rose despite the EC's delisting of all U.S. pork plants in November 1990.

Figure 5.1

## U.S.-EC Agricultural Trade



Source: U.S. Dept. Commerce.

Pork exports to the EC increased 39 percent in value and more than doubled in quantity, from low 1990 levels. Poultry meat exports again grew strongly, up over 30 percent from the previous year. Despite these strong performances, the meat and meat products category registered a 13-percent drop in sales.

Grapefruit exports rebounded in fiscal 1991, up 46 percent from the previous year, when a U.S. freeze reduced quantities available for export. Despite customs difficulties with exports of corn gluten feed, sales of feeds and fodder (not including oilcake) increased 61 percent in quantity, and slightly in value. Exports of vegetables and tobacco increased in both quantity and value. Nut exports increased 5 percent in value but fell nearly 19 percent in quantity.

## Exports and Imports To Increase in Fiscal 1992

For fiscal 1992, both imports and exports are expected to rebound. In the first three quarters of fiscal 1992, U.S. exports of agricultural products increased 6 percent over the same



period last year, while imports from the EC increased 4 percent.

For the first three quarters of fiscal 1992, U.S. exports of grains and feeds to the EC were marginally behind last year's pace in both quantity and value. Several products within this category registered large declines. U.S. exports of wheat fell by a third in volume, and nearly 20 percent in value. Corn exports showed the most dramatic decline, 36 percent in quantity and 33 percent in value. Most of the corn exports fall under the Spanish Accession agreement.

One of the principal factors governing U.S. exports of feed grains to the EC is the U.S.-EC Enlargement Agreement, in which the EC agreed to guarantee that Spain would import 2 million tons of corn and 300,000 tons of sorghum annually from non-EC sources between 1987 and the end of 1990. Although the agreement was originally to expire on December 31, 1990, the U.S. and EC agreed to extend the current import agreement for another year. In November 1991, the EC unilaterally extended portions of the Enlargement Agreement.

U.S. exports of corn byproducts to the EC in the first three quarters of fiscal 1992 declined slightly. U.S. corn gluten feed exports to the EC have been affected by the reclassification of shipments of corn gluten feed to a dutiable category of mixed animal feed, which created considerable uncertainty and concern among feed importers in the EC.

The volume and value of U.S. oilseeds and products exports in fiscal 1992 will increase substantially from fiscal 1991. Despite large domestic rapeseed supplies and lower demand for protein meal from the livestock sector, U.S. soybean shipments will rise primarily due to market developments in South America that provided opportunities for the U.S. to ship during a period when Brazil normally dominates the EC market. In the October 1991 to June 1992 period, soybean exports increased 33 percent to nearly 7 million tons.

U.S. soybean meal exports to the EC will continue to recover from the low levels of 2 years ago, with increases in both volume and value. The quantity of soybean meal exports increased 81 percent (90 percent in value) in the first 9 months of fiscal 1992. EC demand will expand somewhat to compensate for reduced availability of protein meal from domestically-produced soybean and sunflowerseed. The decline in the dollar helped boost sales of soybeans and soymeal, and

may result in a further increase in U.S. soymeal shipments to the EC late in the fiscal year.

U.S. exports of fruits, nuts and preparations to the EC are expected to increase strongly during fiscal 1992, as a result of bad weather in the EC. U.S. export volume of fruits for the first 9 months increased 24 percent over a year earlier. Exports of fruit juices increased 42 percent in volume, but dried fruits dropped by 14 percent. U.S. tree nut exports are expected to also benefit from last year's adverse weather in the EC. The quantity of nuts exported increased 23 percent during October 1991-June 1992.

Beef and veal exports in the first three quarters of fiscal 1992 increased 21 percent in value (31 percent in quantity). The relisting of some beef packing plants by the EC Veterinary Committee (certifying them for export) has allowed fresh and frozen beef and veal exports to the EC to regain sales lost when all U.S. beef plants were delisted in January 1991. The EC has relisted 12 beef slaughter and/or cutting plants, but only 3 of these are not limited to exports of offal.

Pork exports have grown by an even larger percentage since seven U.S. pork plants were relisted for export in October 1991. The relisted plants have been certified only for export of offals. Pork exports increased 46 percent in value, 73 percent in quantity. Exports of fresh or frozen pork from the U.S. doubled, rising to 1.9 million tons during October 1991-June 1992, but with only a slight increase in the unit value of exports. Sales of prepared or preserved pork fell by a third.

U.S. poultry meat exports to the EC for the first three quarters of fiscal 1992 rose 36 percent in quantity, reaching \$29.8 million in value. Turkey exports more than tripled, to more than 4,500 tons in the period. The United Kingdom accounted for more than three-quarters of this increase.

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Table 5.1: U.S. agricultural fiscal year imports from the EC-12

Commodity	1989	1990	1991	% change 1990/91	Share of total 1991	October - June 1990/91 1991/92		Percent change
	-----Million dollars-----			----Percent----		--Million dollars--		
Animal & animal products..	940.1	1,047.2	958.1	-8.5	21.6	701.2	684.7	-2.4
Meats & meat prod.....	287.0	341.3	366.5	7.4	8.3	278.1	186.1	-33.1
Beef & veal-frsh/prep.	7.3	0.6	0.3	-47.2	0.0	0.5	0.9	65.8
Pork-fresh/prep.....	254.7	309.9	333.4	7.6	7.5	252.0	165.9	-34.2
Dairy products.....	423.4	525.3	407.4	-22.4	9.2	286.9	332.5	15.9
Cheese.....	188.3	252.6	240.2	-4.9	5.4	181.4	198.0	9.1
Casein & mixtures....	214.3	258.8	152.0	-41.3	3.4	96.2	125.5	30.5
Grains and feeds.....	235.6	268.4	288.9	7.6	6.5	208.4	213.5	2.4
Biscuits & wafers.....	122.5	138.1	138.6	0.3	3.1	95.4	95.5	0.1
Pasta & noodles.....	49.8	58.4	69.1	18.2	1.6	49.7	56.2	13.1
Fruit & prps(inc.frt.jc)..	193.1	148.5	157.3	6.0	3.5	133.5	170.8	27.9
Fruit-prep/pres.....	87.3	77.6	66.8	-13.9	1.5	57.1	74.5	30.4
Fruit juices.....	99.5	65.9	71.2	8.1	1.6	61.0	89.9	47.3
Nuts and preps.....	16.5	19.7	31.1	57.5	0.7	26.8	19.7	-26.2
Vegetables and preps.....	408.0	410.9	395.6	-3.7	8.9	301.2	311.8	3.5
Olives.....	132.0	132.9	132.5	-0.3	3.0	98.7	105.7	7.1
Tomatoes incl paste....	47.7	38.4	25.3	-34.0	0.6	21.5	16.4	-24.1
Oilseeds and prods.....	199.5	240.2	278.5	15.9	6.3	201.8	225.5	11.7
Olive oil.....	146.5	180.1	214.8	19.3	4.8	155.2	165.9	6.9
Sugar & related prods.....	82.9	114.5	117.4	2.5	2.6	84.6	107.4	27.0
Confectionery prods.....	71.4	97.8	111.5	14.0	2.5	79.5	103.1	29.8
Beverages-ex fruit juice..	1,348.9	1,395.5	1,382.7	-0.9	31.2	1,062.8	1,093.3	2.9
Wine.....	846.6	866.0	862.2	-0.4	19.4	672.5	722.9	7.5
Malt beverages.....	477.1	507.7	504.2	-0.7	11.4	377.8	360.0	-4.7
Flowers, nursery stock....	158.6	165.1	159.8	-3.2	3.6	101.9	108.7	6.6
Coffee.....	76.9	54.2	60.9	12.3	1.4	43.1	53.0	23.0
Cocoa.....	136.8	175.0	146.3	-16.4	3.3	112.1	106.9	-4.6
Other.....	381.1	412.0	457.9	11.1	10.3	344.9	371.8	7.8
TOTAL:.....	4,178.0	4,451.3	4,434.5	-0.4	100.0	3,322.3	3,467.1	4.4
Commodity	-----Thousand tons-----			----Percent----		---Thousand tons---		Percent
Meats & meat prod.....	109.7	109.8	116.6	6.2	N/A	87.3	60.7	-30.4
Beef & veal-frsh/prep...	3.3	0.3	0.2	-35.0	N/A	0.1	0.4	207.9
Pork-fresh/prep.....	95.8	98.0	103.7	5.9	N/A	77.1	53.0	-31.3
Cheese.....	52.3	74.8	66.6	-10.9	N/A	48.8	54.0	10.7
Casein & mixtures.....	45.2	54.4	40.7	-25.2	N/A	26.0	32.2	23.8
Grains and feeds.....	246.9	212.7	211.9	-0.4	N/A	153.3	168.7	10.0
Biscuits & wafers.....	45.7	48.3	45.4	-6.0	N/A	30.8	30.9	0.2
Pasta & noodles.....	72.2	82.7	86.2	4.3	N/A	61.9	66.3	7.1
Fruit-prep/pres.....	88.4	76.6	54.6	-28.7	N/A	67.4	66.1	-2.1
Fruit juices (HL).....	4,007.5	2,628.6	2,294.2	-12.7	N/A	2,036.6	2,059.7	1.1
Olives.....	64.0	62.5	57.6	-7.8	N/A	43.2	46.2	7.1
Tomatoes incl paste....	53.3	35.3	26.8	-23.9	N/A	23.2	14.7	-36.8
Confectionery prods.....	30.5	41.8	43.4	3.7	N/A	31.2	39.3	26.2
Beverages (HL).....	7,911.7	7,745.6	6,950.3	-10.3	N/A	5,247.9	5,171.8	-1.4
Wine (HL).....	2,539.9	2,397.3	2,031.8	-15.2	N/A	1,583.5	1,620.2	2.3
Malt beverages (HL).....	5,035.4	5,042.4	4,704.4	-6.7	N/A	3,498.9	3,409.7	-2.6
Oilseeds and prods.....	142.8	173.3	179.5	3.6	N/A	126.2	164.7	30.5
Olive oil.....	81.7	89.4	95.0	6.3	N/A	69.5	70.3	1.2

Source: US Dept. of Commerce.



Table 5.2: U.S. agricultural fiscal year exports to the EC-12

Commodity	1989	1990	1991	% change 1991/90	Share of total 1991	October - June 1990/91 1991/92		Percent change
	----Million dollars----			----Percent----		---Million dollars---		
Animal & animal products..	737.5	656.3	699.3	6.6	9.6	539.3	592.8	9.9
Meats & meat prod.....	166.6	161.3	141.1	-12.6	2.4	109.3	105.3	-3.7
Beef & veal-frsh/prep.	13.0	9.7	7.3	-25.3	0.1	6.1	7.4	21.7
Pork-fresh/prep.....	2.3	1.6	2.3	38.5	0.0	1.6	2.4	46.0
Poultry meats-frsh/prep..	14.7	24.2	33.8	39.4	0.4	26.1	29.8	14.3
Grains and preps.....	1,704.6	1,690.4	1,687.9	-0.2	24.8	1,304.5	1,177.3	-9.7
Wheat.....	131.0	118.8	82.7	-30.4	1.7	57.8	46.4	-19.7
Wheat flour.....	1.5	0.3	0.1	-66.7	0.0	0.1	0.1	19.1
Rice.....	140.5	107.5	88.8	-17.4	1.6	77.2	66.0	-14.4
Feed grains & prod.....	294.4	405.3	367.6	-9.3	5.9	295.6	199.6	-32.5
Feeds,fodder-ex.oilcake..	1,099.3	1,017.9	1,030.8	1.3	14.9	804.5	761.4	-5.4
Fruit & prps(inc.frt.jc)..	308.1	333.1	385.9	15.8	4.9	297.1	346.7	16.7
Grapefruit.....	62.4	42.4	61.9	45.8	0.6	56.5	53.1	-6.1
Raisins.....	62.1	69.5	81.0	16.6	1.0	60.7	55.6	-8.4
Nuts and preps.....	452.7	479.7	502.2	4.7	7.0	386.9	450.4	16.4
Almonds.....	277.6	274.4	326.1	18.8	4.0	231.4	243.4	5.2
Vegetables and preps.....	202.0	224.7	304.3	35.4	3.3	244.1	259.1	6.2
Pulses.....	87.7	80.5	97.8	21.5	1.2	79.2	69.4	-12.3
Oilseeds and prods.....	1,957.4	1,897.4	1,573.0	-17.1	27.8	1,442.1	1,885.1	30.7
Soybean meal.....	149.7	24.5	32.7	33.1	0.4	32.5	61.9	90.7
Soybeans.....	1,618.8	1,640.8	1,249.3	-23.9	24.1	1,167.4	1,521.0	30.3
Vegetable oils.....	69.8	88.5	107.2	21.1	1.3	82.1	104.3	27.1
Tobacco.....	483.9	587.4	667.1	13.6	8.6	527.2	507.4	-3.7
Cotton-ex.linters.....	264.7	454.9	371.4	-18.3	6.7	347.5	183.3	-47.2
Others.....	407.7	491.5	584.7	19.0	7.2	486.2	508.3	4.6
TOTAL:.....	6,518.6	6,815.4	6,775.7	-0.6	100.0	5,574.8	5,910.6	6.0
Commodity	----Thousand tons----			----Percent----		---Thousand tons---		Percent
Meats & meat prod.....	83.6	71.9	54.7	-23.9	N/A	42.2	41.9	-0.6
Beef & veal-frsh/prep.	3.2	2.1	1.1	-50.4	N/A	0.9	1.2	31.4
Pork-fresh/prep.....	0.8	0.7	1.5	107.4	N/A	1.2	2.1	72.7
Poultry meats-frsh/prep..	15.8	25.1	31.6	25.5	N/A	22.9	31.2	36.2
Grains and Preps.....	11,809.9	12,792.3	17,372.1	35.8	N/A	9,420.1	8,252.5	-12.4
Wheat.....	797.0	797.3	642.4	-19.4	N/A	463.5	310.1	-33.1
Wheat flour.....	6.2	1.0	0.3	-69.6	N/A	0.3	0.3	0.4
Rice.....	490.9	355.3	289.3	-18.6	N/A	256.4	202.7	-20.9
Feed grains & prod.....	2,366.3	3,570.7	3,291.4	-7.8	N/A	2,638.6	1,697.8	-35.7
Feeds,fodder-ex.oilcake.	8,061.0	7,985.0	12,865.1	61.1	N/A	5,919.0	5,591.6	-5.5
Nuts and preps.....	276.1	349.0	283.1	-18.9	N/A	233.3	288.4	23.6
Oilseeds and prods.....	6,547.0	7,971.9	6,484.6	-18.7	N/A	6,094.8	8,315.3	36.4
Soybean meal.....	586.6	124.4	166.0	33.4	N/A	165.3	300.4	81.7
Soybeans.....	5,609.3	7,392.1	5,525.8	-25.2	N/A	5,158.6	6,905.7	33.9
Vegetable oils.....	90.7	126.9	131.3	3.4	N/A	99.0	153.9	55.4
Tobacco.....	84.8	95.6	107.4	12.3	N/A	84.7	80.5	-5.0
Cotton-ex.linters.....	175.1	265.2	209.0	-21.2	N/A	196.6	111.7	-43.2

Source: US Dept. of Commerce

## Grains

*Following severe droughts in northern and southern Europe that drastically reduced yields, the 1992 EC-12 grain harvest is forecast to drop to its lowest level since 1983. Declining consumption and last year's near record harvest helped push grain stocks to a record high, with EC wheat stocks exceeding those of the United States. CAP Reform will lower support prices for 1993 and increase set-aside.*

EC-12 grain (wheat and coarse grains) production is forecast to drop to 164.5 million tons in 1992/93, nearly 9 percent below last year following severe droughts in northern and southern Europe. Production of wheat and coarse grains is forecast to decline, due primarily to a fall in average yields. This comes on the heels of last year's 180 million ton harvest, the second largest on record, when yields for both wheat and coarse grains reached record highs. Total 1992 grain production is the lowest for the 12 EC countries since 1983, when an excessively wet spring and dry summer reduced yields and production. EC-12 grain production recovered in 1984/85 to a record 184.9 million tons, 20.4 million above the projected harvest for 1992.

### ***Drought Cuts Yields in Denmark, Germany, Spain, and Portugal***

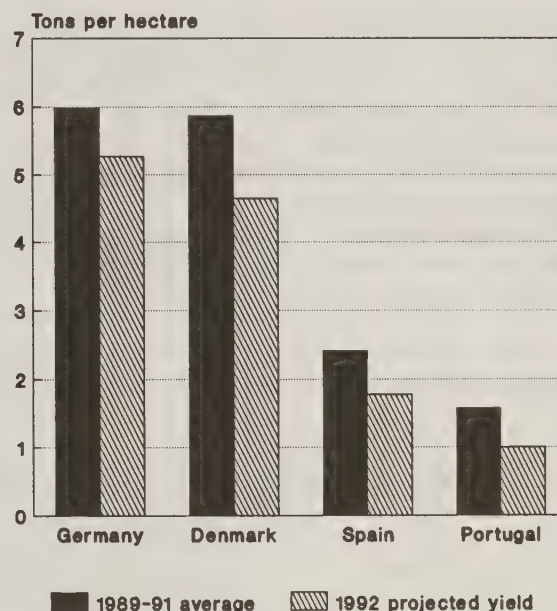
One of the worst droughts on record hit northern Europe during the spring and summer of 1992, drastically reducing grain yields in Denmark and the northern parts of Germany. Although winter grains were harvested before the worst of the drought, the dry weather devastated spring crops. The drought in Denmark was the worst since such records began 120 years ago. Grain yields were more than 20 percent lower in 1992 than the average for the last three years (figure 6.1). On the nonirrigated, sandy soils of West Jutland, yields near zero were reported and in other parts of Denmark many grain crops were either cut for green fodder or stored for silage.

In northern Germany, the longest drought since 1882 was followed by damaging thunderstorms, completely destroying some crops. Grain yields in Germany were 12 percent lower on average. Yields in eastern Germany fell 23 percent, while those in northern areas such as Schleswig-Holstein were down almost 10 percent. The drought was particularly hard for farmers in the former East Germany as it came at the same time as their first full season as private enterprises.

Persistent dry weather during the winter and early spring hit grain growing areas in southern Europe. In Spain, the drought has been most severe in the north-central region of Castile and Leon. With rainfall at only half of normal levels, production of corn is 26 percent lower than last year while wheat production is down 16 percent. Yields in Portugal also have been hard hit by the drought with grain production forecast to decline 34 percent in 1992.

Figure 6.1

**Drought Reduces Grain Yields in Germany, Denmark, Spain & Portugal**



Source: USDA.

### ***EC Farmers Favoring Wheat over Coarse Grains, Other Crops***

Total EC grain area is estimated to have declined just over 1 percent (0.4 million hectares) in 1992, with the downward trend in coarse grain area continuing while wheat area remained almost unchanged. Area planted to coarse grains fell for the fourth straight year in 1992, making it the eighth year out of the last 12 in which coarse grain area declined. Area planted to wheat, on the other hand, increased slightly, following a 2-percent increase in 1991.

Since 1981, coarse grain area has fallen nearly 18 percent while area planted to wheat has increased by about 4 percent. Higher relative returns for wheat versus barley have helped keep wheat more attractive to EC cereal farmers. In addition, sharp cuts in oilseed prices under the stabilizer program, lower yields for oilseeds and protein crops, and uncertainty about prices under the new oilseed regime have led some farmers to switch land back from rapeseed and protein crops to wheat.



For the third year in a row, more wheat was produced in the EC than coarse grains. Except for the last 3 years, the EC has always produced more coarse grains than wheat.

### **Elimination of Coresponsibility Levy Nullifies Price Cuts**

In contrast to the Commission's proposal for an 8-percent total coresponsibility levy (5 percent basic and 3 percent additional) for 1992/93, the basic and additional coresponsibility levies for grains were abolished starting in 1992/93 as part of the price package. Under the Commission's proposals, the coresponsibility levies would have increased from 8.43 ECU (\$13) per ton in 1991/92 to 13.07 ECU (\$21) in 1992/93. The 3-percent additional coresponsibility levy would have been imposed in 1992/93 under the stabilizer mechanism because of the production overshoot in 1991/92.

Because the Commission's official estimate of EC grain production in 1991 (excluding east Germany) exceeded the maximum guaranteed quantity (MGQ) of 160 million tons, intervention, target, and threshold prices for 1992/93 were automatically cut 3 percent by the stabilizer mechanism. Target prices for cereals were reduced slightly before the stabilizer cuts due to an updating of transportation costs. Thus, effective support prices for grains were 3 percent less (or slightly more than 3 percent less for target prices) at the start of 1992/93 compared with the end of 1991/92.

Overall, the 1992/93 price package implies a net increase in price support for EC grain farmers of 2 to 3 percent in ECU

terms compared with 1991/92, as the elimination of the 5-percent coresponsibility levy more than offset the 3-percent reduction in intervention prices. For example, the buying-in price for common wheat in November (when intervention opens in the major grain producing states) was reduced from 159.94 ECU (\$254) in 1991/92 to 155.18 ECU (\$246) in 1992/93. The coresponsibility levy of 8.43 ECU per ton for 1991/92 was abolished. Thus, the net price to farmers for common wheat (buying-in price minus coresponsibility levy) will be 4.17 ECU (\$7) per ton or 2.8 percent higher than in 1991/92.

Cereal intervention prices in Spain and Portugal—except for durum wheat in Spain and common wheat in Portugal—were aligned with those in the rest of the EC by the beginning of the 1991/92 marketing year. With the 1992/93 price package, all institutional prices for grains in Spain and Portugal are aligned with those of the rest of the EC.

Monthly increments, the buying-in percentage, and the period during which grain can be sold into intervention (November to May in northern member countries and August to April in southern member countries) remain the same. Intervention and buying-in prices, inclusive of monthly increments, are listed in table 6.1.

### **Downward Trend in Grain Consumption Continues**

EC-12 grain consumption is projected to decline 2 percent in 1992/93 to 142.1 million tons, well below the total EC grain

Table 6.1: EC-12 intervention and buying-in prices for grains, 1992-93 1/

	Premium wheat		Common wheat and corn		Feed wheat, barley, rye, sorghum		Durum wheat	
	Inter- vention	Buying- in	Inter- vention	Buying- in	Inter- vention	Buying- in	Inter- vention	Buying- in
	-----ECU per ton-----							
July 1992	166.76	--	163.49	--	155.33	--	220.87	--
August	166.76	156.75 *	163.49	153.68 *	155.33	146.01 *	220.87	207.62 *
September	166.76	156.75 *	163.49	153.68 *	155.33	146.01 *	220.87	207.62 *
October	166.76	156.75 *	163.49	153.68 *	155.33	146.01 *	220.87	207.62 *
November	168.26	158.25	164.99	155.18	156.83	147.51	222.90	209.65
December	169.76	159.75	166.49	156.68	158.33	149.01	224.93	211.68
January 1993	171.26	161.25	167.99	158.18	159.83	150.51	226.96	213.71
February	172.76	162.75	169.49	159.68	161.33	152.01	228.99	215.74
March	174.26	164.25	170.99	161.18	162.83	153.51	231.02	217.77
April	175.76	165.75	172.49	162.68	164.33	155.01	233.05	219.80
May	177.26	167.25 *	173.99	164.18 *	165.83	156.51 *	235.08	221.83 *
June	166.76	--	163.49	--	155.33	--	220.87	--
Monthly increments	1.50	1.50	1.50	1.50	1.50	1.50	2.03	2.03

-- = not applicable

\* Indicates that intervention is limited to certain member states. Intervention offers are accepted from August to April in Greece, Italy, Portugal, Spain, and from November to May in northern member states.

1/ The buying-in price is equal to 94 percent of the July intervention price, plus the appropriate monthly increments. Increments will be applied from November 1992 to May 1993 inclusive, with no increment in May and June 1993.

Source: Home-Grown Cereals Authority, July 1992.



supply. The drop in domestic use over the last 15 years is the result of sharp declines in feed use and stagnant human consumption. Use of grains for feed is forecast to drop to 80.8 million tons in 1992/93, down from the recent high of 97.9 million tons in 1984/85. The drop in feed use is due in part to the decline in animal production and increased availability of non-grain feeds in the former east Germany. High support prices for grains under the CAP make them less competitive with non-grain feed ingredients.

Non-feed consumption of grain (human, industrial, seed use, etc.) also is projected to decline in 1992/93, falling 2 percent to 61.3 million tons. The removal of subsidies for basic foods in the former east Germany has led to a decline in human consumption there, reinforcing the downward trend in the rest of the EC.

### ***EC Grain Stocks Record High; Wheat Stocks Exceed Those of U.S.***

Total EC grain stocks (intervention and commercial) at the beginning of the 1992/93 marketing year soared to a record 39.4 million tons, 26 percent above last year and 18 percent above the previous high set after the record-breaking grain harvest of 1984. Grain stocks amounted to nearly one quarter of EC grain production in 1992. Wheat stocks at the beginning of 1992/93 rose to 21.8 million tons, exceeding those of any other exporter, including the U.S. In a reversal of roles, the EC is now the world's "residual" wheat supplier. Total coarse grain stocks also set a new record, up 17 percent to 17.5 million tons.

EC stocks have been rising because of a succession of good harvests (including 1991 when production reached 180 million tons), the unification of Germany, and declining domestic demand. Although EC grain exports have been rising, they have not increased fast enough to take the pressure off stocks.

Although commercial grain stocks increased slightly from last year (up less than 5 percent), intervention stocks begin the 1992/93 marketing year at an all time high. On July 1, EC intervention stocks (gross balance plus quantities under offer) stood at 26.4 million tons, up over 40 percent from the beginning of 1991/92. At the end of the 1990/91 marketing year, intervention stocks totaled 18.8 million tons, up from only 11.7 million the previous year.

The largest run-up in intervention stocks during 1991/92 was for durum wheat, which shot up 2.7 million tons to finish the year nearly three times higher than at the start (table 6.2). Intervention has become an increasingly important outlet for durum wheat, with nearly one quarter of 1991 production sold to intervention agencies, compared with only 3 percent for soft wheat and 2 percent for barley. In spite of the smaller share of production sold into intervention, stocks also increased sharply for soft wheat (up 2.4 million tons) and barley (up 1.9 million tons). Bread wheat accounted for 41 percent of the grain in intervention stores, followed by barley (28 percent), durum wheat (16 percent), and rye (13 percent). Feed wheat, for which there will be no mandatory intervention

under CAP reform, accounted for less than 1 percent of the total.

The biggest increase during 1991/92 occurred in France, where 2.6 million tons of grain were sold into intervention as market prices for wheat were at or below buying-in levels for a number of months (table 6.3). Large increases also occurred in Germany (up 2.4 million tons) and Italy (up 1.3 million tons). At the start of the 1992/93 marketing year, Germany held the largest share of the EC's intervention stocks (43 percent), followed by France (28 percent), Italy (11 percent), and Spain (7 percent). The record stocks are straining storage facilities in some member states. The EC Commission has already approved the transfer of French and Danish intervention wheat stocks to Portugal and transfers from Germany and Italy also may be necessary.

The EC's principal method of cleaning out intervention stocks is to export them to third countries at prices substantially below those at which they were bought in. This was the case in 1991/92 as well. Of the 10.5 million tons of grain sold out of intervention stocks during 1991/92, 89 percent (9.3 million tons) were exported at bargain-basement prices. Food aid accounted for 7 percent (0.7 million tons), while sales on the domestic market amounted to only 4 percent of the total, less than half a million tons.

### ***Grain Exports Up as Wheat and Coarse Grain Sales Rebound***

EC grain exports in 1992/93 (excluding intra-EC trade) are forecast to increase to a record 33.0 million tons, up nearly 7 percent from last year. The EC is able to increase exports despite the drought-reduced crop because of its record-high beginning stocks. Wheat and wheat flour exports (July-June) are projected to reach a record 21.5 million tons, up 2 percent from last year. As a result, the EC's share of world wheat trade is projected to increase from 19.4 percent in 1991/92 to 21.2 percent in 1992/93, keeping it in third place behind the United States (34 percent share) and Canada (22.2 percent share).

Coarse grain exports for 1992/93 (October-September) are projected at 11.5 million tons, up almost 16 percent from 1991/92 and a record high for the EC-12. Barley exports are projected to reach a record 9.5 million tons. As a result, the EC will remain the world's largest barley exporter, with about 52 percent of world barley trade in 1992/93.

### ***Budget Costs for Grain To Take Largest Share of EC Budget***

Appropriations for grains in the 1992 EC agricultural budget were increased to 6.3 billion ECU (\$8.6 billion), up 24 percent from actual expenditures in 1991. For the first time, spending on grains is slated to exceed that on milk and milk products, historically the largest item in the agricultural budget. Appropriations for grains were raised to cover expected increases in export refunds and storage costs resulting from the record grain surplus.



Table 6.2: EC grain intervention balance sheet by product, 1991/92 1/

	Total bread & feed wheat	Bread wheat	Feed wheat	Durum wheat	Barley	Total rye	Bread rye	Feed rye	Corn	Sorghum	Total Grain
1,000 tons											
1. Opening stocks	8,520	8,375	146	1,528	5,538	3,163	2,318	845	1	0	18,750
2. Quantities accepted	7,091	7,012	78	2,693	3,804	1,018	908	110	91	--	14,697
3. Quantities sold	6,597	6,515	83	193	2,946	704	559	146	15	--	10,456
A) Internal market	275	240	35	11	151	8	1	5	15	--	459
B) Exports	5,783	5,745	37	156	2,741	607	527	81	0	0	9,287
C) Food aid	538	528	10	25	50	90	30	60	0	0	703
D) Losses	1	1	--	--	4	1	1	--	0	0	6
4. Gross balance (1+2-3)	9,014	8,872	141	4,028	6,396	3,477	2,667	810	78	0	22,991
5. Quantities committed	1,107	1,066	41	510	788	559	345	213	0	0	2,964
A) Internal market	156	115	41	4	26	0	0	0	0	0	186
B) Exports	951	951	--	506	762	559	345	213	0	0	2,778
C) Food aid	0	0	0	0	0	0	0	0	0	0	0
6. Net balance (4-5)	7,907	7,807	100	3,518	5,608	2,918	2,322	596	78	0	20,028
7. Quantities under offer	1,929	1,882	47	140	1,023	76	48	27	224	0	3,392
8. Total (4+7)	10,943	10,754	189	4,169	7,418	3,552	2,716	837	301	0	26,383

-- = less than 500 tons.

1/ EC-12 including former east Germany.

Source: EC Commission.

Table 6.3: EC grain intervention balance sheets by country, 1991/92

Total Grains	Belgium	Denmark	France	Germany 1/	Greece	Ireland	Italy	Lux.	Neth.	Port.	Spain	U.K.	EC-12
1,000 tons													
1. Opening stocks	99	882	4,912	9,033	67	91	1,567	0	1	0	1,441	656	18,750
2. Quantities accepted	263	418	4,959	5,974	620	59	1,449	3	0	58	619	276	14,697
3. Quantities sold	130	563	4,510	4,389	72	57	233	0	1	20	272	209	10,456
A) Internal market	3	31	279	33	0	7	74	0	1	20	8	4	459
B) Exports	73	430	4,054	4,008	67	50	159	0	0	0	242	206	9,287
C) Food aid	55	100	177	346	4	0	0	0	0	0	21	0	703
D) Losses	--	3	0	2	0	0	0	0	0	--	1	0	6
4. Gross balance (1+2-3)	232	737	5,362	10,618	616	92	2,783	3	0	38	1,788	723	22,991
5. Quantities committed	0	130	603	1,358	0	25	408	0	0	3	376	61	2,964
A) Internal market	0	30	0	114	0	0	0	0	0	3	30	9	186
B) Exports	0	100	603	1,244	0	25	408	0	0	0	346	52	2,778
C) Food aid	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Net balance (4-5)	232	607	4,759	9,261	616	67	2,375	3	0	35	1,412	661	20,028
7. Quantities under offer	53	165	2,119	791	0	4	82	0	0	0	155	24	3,392
8. Total (4+7)	284	902	7,481	11,409	616	96	2,866	3	0	38	1,943	746	26,383

-- = less than 500 tons.

1/ Includes former East Germany.

Source: EC Commission.

## CAP Reform Lowers Support Prices and Increases Set-Aside

The CAP Reform compromise adopted by the Council of Ministers on May 21, 1992, contains important reforms of the EC cereals regime. These reforms will be phased in over 3 years starting with the 1993/94 marketing year. Major changes relating to grains following from the CAP Reform compromise include:

- Support prices are significantly reduced over 3 years and a single intervention and target price is set for all grains. The amount of the reduction varies by type of grain, with barley and rye facing the smallest cuts and durum wheat facing the largest (table 6.4).
- Threshold prices also are cut back, sharply reducing import levies on imported grains.
- Direct per hectare payments will be provided to compensate farmers for reductions in support prices.
- Durum wheat producers will receive a per hectare premium to compensate for larger price cuts. However, only producers in traditional production areas will be eligible for the premium.
- "Professional" producers (with cropland sufficient to produce more than 92 tons of grains) will be required to set aside 15 percent of their base area to qualify for compensation payments.
- Farmers who set aside land will receive the grains compensation payment for set-aside area.
- The 15-percent set-aside must be rotational, that is, a different part of the base area must be idled each year. Non-rotational set-aside will be an option starting in 1994/95, but farmers will have to idle more than 15 percent of their base area.
- Area idled under the existing 5-year set-aside program does not count toward the 15-percent set-aside commitment. However, farmers may withdraw from the 5-year program before December 15, as long as they participate in the new program.
- Farmers are allowed to grow crops for industrial uses on set-aside land as long as they have contracts directly with a processor and can prove their product has gone to non-food uses. Most non-food uses are permitted as long as the value of the product is greater than that of any byproducts destined for human or animal consumption.
- A single intervention quality standard for wheat will take effect at the beginning of the 1993/94 marketing year. Wheat offered into intervention will have to pass the current "common wheat" standards. Feed wheat varieties are unlikely to meet these criteria.

Table 6.4: Reductions in grain support prices under CAP Reform

	Buying-in price	Reductions from 1992/93		
	1992/93	1993/94	1994/95	1995/96
	ECU/ton	Percent		
Premium wheat	156.75	-25.4	-31.1	-36.2
Common wheat	153.68	-23.9	-29.7	-34.9
Feed wheat	146.01	1/	1/	1/
Durum wheat 2/	207.62	-43.6	-48.0	-51.8
Barley	146.01	-19.9	-26.0	-31.5
Maize	153.68	-23.9	-29.7	-34.9
Bread rye	149.85	-21.9	-27.9	-33.3
Rye	146.01	-19.9	-26.0	-31.5
Single intervention price (ECU/ton)	NA	117	108	100

NA = not applicable

1/ Intervention for feed wheat is not mandatory under CAP Reform.

2/ Durum wheat producers in traditional production areas will receive a per hectare payment as compensation for larger price cuts.

Source: Home Grown Cereals Authority, and own calculations.

For more information see the CAP Reform article on page 55.

## Set-aside Programs Reduce Arable Area

Two EC set-aside programs were in effect during 1991/92—the original 5-year program and the special 1-year program. The 5-year program was introduced in 1988 with the aim of reducing cereal surpluses through paid land set-asides. National governments are required to offer the program, but farmer participation is voluntary. The 5-year program covers all arable land used for crops supported by the Common Agricultural Policy. The arable land must have been cultivated during a given reference period to qualify for the program. To be eligible for per hectare payments fixed by national governments, farmers must agree to set aside at least 20 percent of their arable land for 5 years, although they may withdraw from the program without penalty after 3 years. Farmers who withdraw at least 30 percent of their arable land also will be exempt from coresponsibility levies on the first 20 tons of cereals they market. How the set-aside can be used varies across countries. For example, in the U.K. the land may be maintained as either permanent or rotational fallow, or it may be used for certain permitted non-agricultural purposes.

Member states have reported to date that approximately 1.6 million hectares (4 million acres) were idled between 1989/90 and 1991/92 under the 5-year program (table 6.5). Participation was the highest in Italy, where farmers set aside 608,705 hectares (1.5 million acres) in just the first 3 years of the program. Italy has yet to report set-aside figures for 1991/92, although industry estimates suggest that the 4-year total is closer to 900,000 hectares (2.2 million acres). The program also has been popular in Germany, where generous payments induced farmers to set aside 427,817 hectares (1.1 million acres). The total for the 5-year program is sure to rise when 1991/92 figures from Denmark, Greece, Ireland, Italy, and Spain are released.



Table 6.5: EC set-aside of arable land 1/

Member state	One-year program /2	Five-year program /3	Total set-aside
-----Hectares-----			
Belgium	977	873	1,850
Denmark	1,379	5,520	6,899
Germany /4	314,875	472,817	787,692
Greece	1,470	250	1,720
Spain	250,000	84,087	334,087
France	203,000	266,575	469,575
Ireland	2,500	1,766	4,266
Italy	11,603	608,705	620,308
Luxembourg	100	90	190
Netherlands	45	29,606	29,651
Portugal	4,415	--	4,415
U.K.	12,977	158,847	171,824
Total	803,341	1,629,136	2,432,477

1/ Provisional.

2/ In effect for 1991/92 only.

3/ In effect for 1988/89-1991/92.

4/ Includes former East Germany.

Source: Home-Grown Cereals Authority.

The 1-year set-aside scheme, which supplements the 5-year set-aside program, was introduced as part of the 1991/92 farm price package. It was designed specifically to reduce area planted to cereals for the 1992 harvest. Under this voluntary program, participants were required to set aside at least 15 percent of their arable area, including at least 15 percent of their area planted to grains. All area planted in 1990/91 to cereals (including corn for fodder), oilseeds (excluding linseed), and pulses was eligible for the program. Farmers received two types of compensation for participating. First, they were reimbursed all coresponsibility levies paid on grains marketed during 1991/92 and second, they received per hectare set-aside payments equal to at least the EC's contribution to the 5-year set-aside program. The regulations for the 1-year program also allow for additional payments by national governments up to the national contribution to the 5-year program.

Germany offered the highest set-aside payments and its farmers responded by enrolling 314,875 hectares (778,084 acres) in the 1-year program, nearly 40 percent of the EC total (table 6.5). The scheme also was well received in Spain where 250,000 hectares (617,773 acres) were set aside, and in France with a total set aside of 203,000 hectares (501,631 acres). In total, 803,341 hectares (1.99 million acres) were idled under the 1-year program.

The amount of land idled between 1988/89 and 1991/92 under the two set-aside programs totals about 2.4 million hectares (6.0 million acres), approximately 4 percent of EC-12 arable area (see appendix tables 19 and 20). For the 1991/92 marketing year, member states have so far reported 1.1 million hectares set aside under the two programs, and this figure is likely to increase to closer to 1.5 million hectares when Denmark, Greece, Ireland, Italy, and Spain report figures for the 5-year program.

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# Oilseeds

*EC oilseed production in 1992 is expected to decline from 1991's record. Producers responded to the changes brought about by the new oilseed regime, which provides price supports directly to producers and is tied to area planted.*

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Output of rapeseed and soybeans in 1992 is forecast down from last year, as both area and yield decline. However, sunflowerseed production will rise due to greatly expanded area in Spain. The 1992 oilseed crop was influenced by changes in producer returns under the EC's new oilseed policy, uncertainties regarding implementation of the new policy, and weather-related changes in area and yield. The EC's oilseed production was record high in 1991, as large increases in rapeseed production outweighed declines in soybeans and sunflowerseed production.

## **New Policy Takes Effect in 1992**

The 1992 oilseed crop is the first to reflect the new EC oilseed policy (see "U.S., EC Reach Agreement in Oilseed Trade Dispute, New Regime Takes Effect"). The EC fundamentally changed its policy from a system that provided producer price support through payments to oilseed processors to one that pays the producer directly based on area planted. In addition, producers will receive world market prices for their oilseed sales.

The policy change, proposed in July 1991, was not approved until December 1991, well after the fall rapeseed crop had been planted. Producers of sunflowerseed and soybeans, which are generally spring-planted crops, had more time in which to assess the new policy. Uncertainties surrounding the implementation of the new oilseeds regime may have led many EC producers to seek alternative crops.

The new regime's effect on producer returns will be different for each oilseed (see table 17.3 in "U.S., EC Reach Agreement in Oilseed Trade Dispute, New Regime Takes Effect"). Under the new policy, the projected reference price and the area payment are the same for all oilseeds. However, because yields are not the same for all oilseeds, the effect of the new policy will not be the same for all oilseed producers.

High-yielding crops, such as soybeans, are disadvantaged to a greater degree than are lower-yielding crops, like sunflowerseed. The fixed payment, paid per hectare planted, compensates the producer of a low-yielding oilseed to a greater extent for the loss of revenue previously provided by sales at the high support price. Also, oilseed prices were not the same prior to the policy change, and stabilizer price cuts reduced support prices in varying degrees for the three oilseeds. Soybean producers' returns will suffer the most relative to recent years, while sunflowerseed producers' returns will improve compared with 1990 and 1991.

## **Effects on 1992 Production Mixed**

The 1991/92 support prices were reduced for rapeseed and sunflowerseed and rose for soybeans because 1991 oilseed production exceeded ceiling levels, triggering the stabilizer. Preliminary estimates of 1992 oilseed production show a mixed response by oilseed producers to the changed prices and new support measures (tables 7.1-7.3).

EC rapeseed production in 1992 declined by an average 15 percent from 1991 as production returned to 1990 levels. Production in 1991 had increased despite support cuts as producers still found rapeseed profitable relative to alternatives such as grain. The 1991 crop triggered price cuts under the old support regime that reduced prices 0.5 percent for each percent that production exceeded the set ceiling.

Although rapeseed area declined in 1992, yield declines accounted for most of the production drop. A drought in northern Europe and reduced input use in response to the new fixed area payment hurt yields. In addition, more of the crop was lower-yielding spring-planted rape, which requires fewer inputs. More spring rapeseed was also planted on areas where the fall rapeseed crops failed. Spring rapeseed accounted for up to 10 percent of rapeseed area in some member countries, after having been all but replaced by the fall-planted varieties. Of the major EC rapeseed-producing countries, only Denmark continued to plant any significant part of its rapeseed acreage to spring varieties, and the higher-yielding winter varieties were gradually taking over in that country as well.

Sunflowerseed production is estimated to have risen 9 percent in 1992, with a large increase in Spanish production outweighing declines in France and Italy (table 7.2). Spanish area rose nearly 38 percent as producers responded to the oilseed area payment by increasing planting on marginal land. Spanish producers also increased sunflower area as widespread drought favored planting sunflowers in lieu of corn. Sunflowers are frequently planted in certain regions when moisture is inadequate for a successful corn crop. Production declines in France and Italy were due to more competitive returns from corn.

Sunflowerseed production in 1991 fell 7 percent from a year earlier levels as area planted to sunflowerseed fell in response to reduced 1990 support prices. Higher corn prices and improved conditions for planting corn in France and Spain provided incentives for producers to shift back to corn some of the area that had been planted to sunflowers in 1990.



Table 7.1: EC rapeseed production

	1988/89	1989/90	1990/91	1991/92	1992/93	Change from 1991/92
	-----Thousand tons-----					Percent
France	2,302	1,748	1,937	2,230	1,864	-16%
Germany 1/	1,216	1,451	1,720	2,913	2,559	-12%
U.K.	1,040	953	1,200	1,300	1,260	-3%
Denmark	504	655	793	726	400	-45%
Other EC	108	105	131	114	106	-7%
Total EC-12	5,170	4,912	5,781	7,283	6,189	-15%

1/ Includes former East Germany from 1991.

Source: USDA.

Table 7.2: EC sunflowerseed production

	1988/89	1989/90	1990/91	1991/92	1992/93	Change from 1991/92
	-----Thousand tons-----					Percent
France	2,335	2,125	2,415	2,540	2,330	-8%
Spain	1,123	929	1,300	900	1,500	+67%
Italy	365	340	403	348	200	-43%
Germany 1/	0	0	0	90	195	+117%
Other EC	133	98	129	69	70	+1%
Total EC-12	3,986	3,540	4,247	3,947	4,295	+9%

1/ Includes former East Germany from 1991.

Source: USDA.

Table 7.3: EC soybean production

	1988/89	1989/90	1990/91	1991/92	1992/93	Change from 1991/92
	-----Thousand tons-----					Percent
Italy	1,408	1,624	1,751	1,325	1,150	-13%
France	228	300	247	145	103	-29%
Other EC	19	58	70	39	54	+38%
Total EC-12	1,655	1,982	2,068	1,509	1,307	-13%

Source: USDA.

EC soybean production in 1992 is estimated to fall an average 13 percent, the same rate as in Italy, by far the EC's largest soybean producer. Production likely will decline by roughly twice that rate in France. Soybean returns are reduced the most of any oilseed because of the new policy. Returns from other arable crops (grains and protein crops) are not affected by CAP reform until 1993, and corn remains competitive compared with soybeans. Many soybean producers have turned to corn for a higher return. 1991 soybean production fell 27 percent from the 1990 record, as planted area declined in response to large stabilizer-induced cuts in the 1990/91 soybean support price. Area planted in Italy fell as corn became more competitive, as corn prices rebounded and soybean prices fell.

Until comprehensive CAP reform measures are implemented for the 1993/94 marketing year, the oilseed payment will be reduced 1 percent for each 1 percent that planted area exceeds an area ceiling—the Maximum Guaranteed Area (MGA). In 1992, estimated area planted to most oilseeds is within the MGA for rapeseed and soybeans, but Spanish sunflower area is expected to exceed its MGA (table 7.4).

CAP reform measures for other arable crops are being implemented beginning in the 1993/94 marketing year that begins on July 1, 1993. At that time, oilseed producers will be required to set aside 15 percent of their arable base in order to receive the payment (see article on CAP Reform on page 55).

### ***Production Expected to Fall in 1993***

Production of the three major oilseeds in the EC is expected to decline in 1993. Producers will reduce area sown in response to the lower oilseed area payment, which falls from an average 497 to approximately 465 ECU (\$738)/hectare. Also, oilseed producers will be required to set-aside land in order to receive the payment, which will reduce oilseed area, perhaps to a greater extent than other arable crops. The oilseed area payment will encourage producers to shift increasingly to spring-sown rapeseed varieties which, because they are lower-yielding, will further reduce production. Soybean producers will no longer be eligible for the area payment

**Table 7.4: EC oilseed MGA and 1992 area**

	Maximum Guaranteed Area	Estimated 1992 plantings
-----1,000 hectares-----		
Rapeseed (EC-12)	2,377	2,322
Sunflowerseed		
EC-10	1,202	1,182
Spain	1,411	1,475
Portugal	122	50
Soybeans (EC-12)	509	425

Source: EC Commission; USDA.

### ***Linseed Area Expands***

Linseed, although technically an oilseed, is not covered by the support regime covering the three main oilseeds produced in the EC (rapeseed, sunflowerseed, soybeans). Linseed benefits from a production aid designed to encourage its development in the EC by providing producers with a return competitive with other arable crops covered by the CAP. Support is provided in the form of production aid paid per hectare sown. The subsidy is calculated as the difference between a support price and the world market (Canadian) price. An indicative yield is applied to translate this subsidy into a per-hectare production aid. The yield may be set at different levels for each major producing area in the Community.

Linseed has gained the attention of producers in the U.K. and Germany, the EC's two principal producers, because it continues to receive support under the old system. Consequently, 1992 linseed area rose over 50 percent in the U.K., and almost 900 percent in Germany, in both instances increasing from a small base. There is no production ceiling (MGQ).

Linseed could become still more attractive to producers next year, when CAP reform measures are implemented for arable crops—grains, oilseeds, and protein crops. Currently, linseed is not covered by the arable crops regime, and will continue to be eligible for support under the old (more generous) system. Also, linseed producers will not be subject to the set-aside requirement, as will producers of other crops. Under the new regime for arable crops, linseed and fiber flax are designated as crops that may be grown on set-aside land, linseed producing an end product—an inedible oil—that is used for other than human or animal consumption.

Interest in linseed could prove to be short-lived. The EC Commission has announced that an acreage ceiling (MGA) will apply from 1993/94 that reduces aid 0.5 percent for each 1 percent increase in planted area compared with base year, unless linseed comes under the arable crops regime. The MGA would be based on 1991 planted area, which means that producers would be greatly penalized if plantings stayed even with this year's.

on double-cropped soybeans, reducing the crop's profitability in regions where it has been double-cropped.

### ***Demand for Oilseeds and Products***

EC use of the three major oilseeds rose 3 percent in 1991/92. Crush demand was strengthened on the basis of improved crush margins and reduced availabilities of other competing protein feeds, mainly coprameal, fishmeal, and corn gluten feed. Demand for all protein meals from the livestock sector



declined slightly (by less than 1.0 percent), stagnating as the dairy herd continued to shrink due to milk quotas and weak growth in the swine and poultry sectors'—up about 1 percent from 1991.

Consumption of the three major oilseeds is expected to decline slightly in 1992/93, hurt by a sharply reduced rapeseed crop. Oilseed meal consumption is forecast to be little changed as larger imports of soybean meal offset reduced meal availabilities. Demand for meal could benefit from an expected increase in swine numbers, but will receive no boost from the poultry or dairy sectors. Vegetable oil consumption continues to rise slowly, about 1 to 2 percent per year.

### Trade

EC imports of soybeans rose in 1991/92 as the decline of the dollar made dollar-denominated soybeans cheaper to European buyers. Soybean imports also got a boost from improved crush margins due to higher oil prices. Soybean meal imports also rose due to the lower dollar. Rapeseed meal and sunflowerseed meal from eastern European sources are denominated in German marks and are thereby less affected by currency fluctuations.

EC imports of oilseeds, especially soybeans, are expected to rise in 1992/93 due to reduced domestic supplies. Nevertheless, the EC exported rapeseed early in 1992/93 as countries

that are traditional markets for Canadian rapeseed sought other sources in view of the weather-related reduced crop there. Vegetable oil imports should rise due to reduced supplies of high-oil-content soft seeds (rapeseed and sunflowerseed).

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## Protein Crops

*The EC has encouraged domestic production of protein crops since the late 1970s, with significant expansion in area and production coming in recent years. Field peas have become a major protein source for EC feed compounders, production peaking at 4.6 million tons in 1990. The CAP Reform compromise would alter the aid structure that caused this growth in field peas.*

EC production of protein crops, primarily peas, beans, and sweet lupins, quadrupled over the last 10 years (figure 8.1). Area harvested peaked in 1987 and has stabilized at 1.8-1.9 million hectares. Overall yields per hectare have increased sharply due to a shift into higher-yielding field peas. Field peas account for less than half of protein crop area planted, but about three-quarters of protein crop production. Total production of protein crops was nearly 6 million tons in 1990, competing with other protein sources such as oilseeds and cereals in feeding rations.

The 1991 total protein crop was estimated at 5.2 million tons, a decline of 12 percent. This is likely a result of stabilizer cuts and/or the set-aside programs. The decrease in protein crop production in 1991 came primarily in the field peas sector. French production of field peas was down 16 percent (500,000 tons), Danish production down 26 percent (150,000 tons).

France is by far the largest producer of protein crops in the Community, with annual production peaking at 3.7 million

tons in 1990. French producers account for nearly 80 percent of total EC output of field peas. The largest producer of beans is the United Kingdom, with about a 40 percent share of EC production.

The development of protein crops production for use in compound animal feed has been encouraged by the EC support scheme introduced in 1978 for peas and beans and expanded in 1984 to include lower-yielding sweet lupins. The aim of the scheme is to make Community-produced protein crops competitive with imported duty-free oilcakes for inclusion in animal feeds. About 85 percent of the protein crops grown in the EC are eligible for a processing subsidy. The rest is either for on-farm animal feeding or for human consumption. An EC scheme promoting these usages, set up in 1982, offers aid equal to the difference between a world market price for imported peas and beans and a Community domestic price.

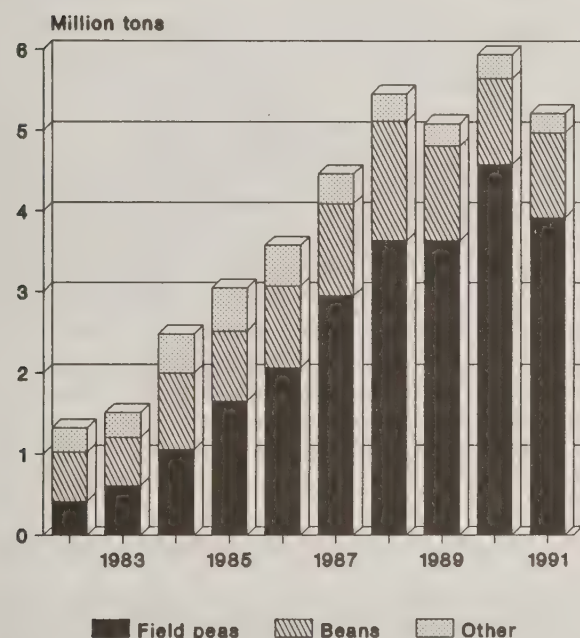
The current CAP support regime for protein crops will be changed next year as part of the CAP Reform compromise. Under the old system, still in force in 1992/93, feed com-

pounders receive direct aid and producers are guaranteed minimum prices. Aid to feed compounders is based on the spread between a calculated world market price for soybean meal and the domestic price for soymeal. When the Community soymeal price drops below the "activating price" set by the Commission, EC feed compounders receive a percentage of the difference between the world soymeal price and the EC price for soymeal on every ton of peas, beans, or lupins they process (table 8.1). The percentages are different for each crop (60% for lupins, 45% for peas and beans).

A Maximum Guaranteed Quantity (MGQ) system was introduced at the start of the 1988/89 marketing year. The current annual MGQ for peas, beans, and lupins is 3.5 million tons. In August each year, the EC establishes the harvest eligible

Figure 8.1

### EC Production of Protein Crops



Source: EC Commission.

Table 8.1: Protein crop payments under current system

		Field peas	Beans	Sweet lupins
1 1992/93 activating price	ECU/ton	440	440	423
2 Est. world soymeal price	ECU/ton	204	204	204
3 Difference	ECU/ton	236	236	219
4 Variable payment rate	Percent	45	45	60
5 EC aid per ton [3*4]	ECU/ton	106	106	131

Table 8.2: Payment under CAP Reform

1 EC compensation payment	ECU/ton	65
2 EC cereals yield 1/	Ton/ha	4.6
3 Payment per hectare [1*2]	ECU/ha	299

1/ All protein crops will receive a payment based on regional average cereal yields.

for subsidy during the previous year, and sets the adjusted minimum price for the current year on the basis of estimated production. The 1992/93 harvest estimate of 4.247 million tons results in adjusted minimum prices in 1992/93 of 228.7 ECU (\$363)/ton for field peas, 210 ECU/ton for beans, and 256.9 ECU (\$408)/ton for sweet lupins. These prices are about 10 percent higher than those for 1991/92, when the excess over the MGQ was estimated to be greater.

Under the CAP Reform compromise, support for protein crops will be provided fully in the form of per hectare aids paid directly to the producer. A minimum price will no longer be in effect, which should lead to a fall in market prices. The current MGQ system should expire with the full implementation of the reform in 1993/94. The aid for protein crops has been fixed at 65 ECU (\$103) per ton, on the basis of regional cereal yields (table 8.2). The same level of aid will apply to all protein crops. Producers may receive the aid on area planted to protein crops if the land was planted to cereals, oilseeds, or protein crops, or under existing voluntary set aside in 1989, 1990 and 1991. No aid will be paid for a second annual crop.

The effect of the CAP Reform on protein crop production remains to be seen. Since peas and beans have about 50 to 60 percent of the protein content of soybean meal, their unsupported market price will likely fall to reflect that relative feed value. Similar to soybeans, peas and beans fix nitrate in the soil. This characteristic makes them valuable in a crop rotation. Protein crops also require fewer inputs such as fertilizers and pesticides than do other arable crops. These aspects plus a generous per-hectare payment compared with cereals, particularly for lower-yielding beans and sweet lupins, should maintain Community production of protein crops more or less at current levels under CAP Reform.

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## Beef and Veal

*EC beef producers suffered through another difficult year in 1991, as prices fell 8 percent from already depressed levels. Production increased again, but by less than consumption, which regained its 1989 level. Intervention stocks grew throughout 1991, ending the year at 950,000 tons. CAP Reform in the beef sector will mean lower prices, but higher premia for producers.*

### Beef Consumption Recovers

Beef production in the EC grew nearly 4 percent in 1991 (figure 9.1). The 2-percent reduction in the milk quota adopted as part of the 1991/92 price package contributed to a 13-percent increase in gross indigenous production of cows, compared with only 6 percent in the previous year. Culling of herds in east Germany continued to put pressure on markets. EC beef production has hit its cyclical peak, and is expected to decline in 1992.

Beef consumption rose 4.2 percent in 1991, reversing the 3.4-percent from a year earlier, induced by fears about Bovine Spongiform Encephalopathy (BSE). This allowed consumption to reverse the 3.4 percent drop in 1990. Although consumption grew more than production, the EC is still approximately 114 percent self-sufficient in beef.

EC beef imports from third countries remained low. Beef imports are governed by a number of quotas, most of which are fixed bilaterally or multilaterally. By contrast, the import quota allocated to manufacturing beef is determined annually based on internal demand and supply conditions. In 1991, the EC imposed a zero quota for imports of manufacturing beef, given the oversupply situation on EC markets. The zero quota was continued for 1992 (table 9.1).

In April 1991, the Commission suspended import licenses for young male bovines, setting a limit of 425,000 head. This number included the 198,000 head that could be imported at reduced levy. The Commission sets a reduced levy quota annually for the import of young male bovines for fattening. The Commission has kept the 425,000 head limit for 1992, of which 198,000 will be reduced levy imports, 16,500 will enter under the Interim Association Agreements with Hungary, Poland, and Czechoslovakia, and the remainder will be calves of less than 80 kilograms that will be subject to the full levy.

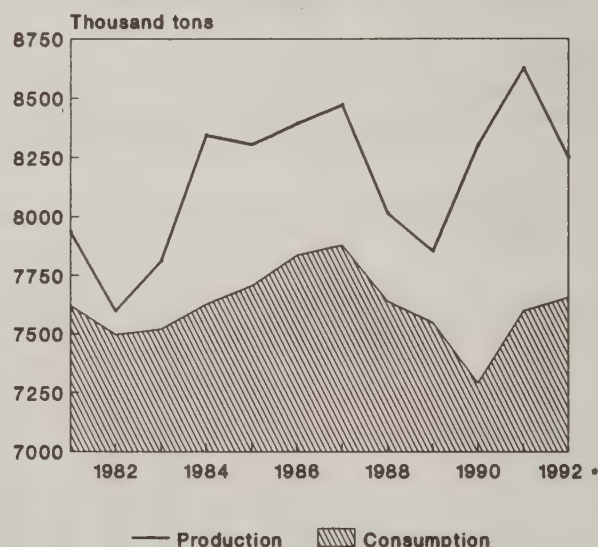
Exports to third countries increased dramatically from the slight drop experienced in 1990. Beef exports in 1991 grew more than 17 percent. Exports to important Middle East markets, particularly Libya, Iran, and Egypt resumed after those countries lifted trade bans imposed because of worries about BSE. Export market problems associated with the Gulf War, however, continued.

### Surpluses Plague Beef Sector

Despite increases in consumption and exports, EC beef markets continued to be pressured by oversupply. Led by a 13-percent drop in Germany, producer prices fell from 1990 averages in every member state. The average beef price for the entire EC dropped 8 percent (figure 9.2).

Figure 9.1

### EC-12 Beef and Veal Production and Consumption



• 1992 data are projected and include east Germany.  
Source: USDA, FAS.

Table 9.1: EC beef balance sheet quotas

	Calves for fattening	Beef for processing
	1,000 head	1,000 tons
1987	168.0	15.0
1988	164.0	12.0
1989	175.0	20.0
1990	215.5	52.5
1991	198.0	0.0
1992	198.0	0.0

Source: EC Commission

Record intervention purchases reflected the difficulties on EC beef markets. Intervention stocks climbed throughout the 1991/92 marketing year, after the 235,000-ton ceiling on normal intervention buying was lifted by the Commission before the end of the 1990/91 marketing year. By the end of calendar 1991, stocks had risen to a record high 950,000 tons. Stocks had declined to 840,000 tons by the end of the 1991/92 marketing year in June 1992 (figure 9.3).

The reduction of support prices and the introduction of a processing margin contributed to price declines. As part of the 1991/92 price package, the Commission lowered the trigger levels for beef intervention purchases. Normal intervention buying opens when the Community weighted market price is equal to or less than 84 percent of the intervention price and the regional price falls below 80 percent of the intervention price. Unlike regular intervention purchases, which are limited by a 250,000-ton ceiling, safety-net purchases are unlimited.

Safety-net intervention, which the Commission had wanted to abolish, is triggered when Community weighted market prices are under 78 percent of the intervention price and the market price in either a) three member states accounting for 60 percent of total Community bull or steer production drops below 75 percent of the intervention price or b) one member state falls below 72 percent of the intervention price.

A maximum margin by which the price tendered by processors is allowed to exceed the price paid to the farmer was established. This margin was set at 60 ECU (\$95) per ton for standard quality (R3) carcasses, subject to national or regional coefficients. After 2 months, the Commission replaced this fixed margin with a two-tier percentage margin. The new margin was set at 3.5 percent of the market price when market prices are above the 72-percent single country trigger, and at 2.5 percent when they drop below.

### CAP Reform Increases Premium Payments

The CAP Reform measures adopted for the beef sector include a reduction in the intervention price, a lowering of the safety-net trigger and increases in direct payments to producers. A program to promote beef consumption was also adopted. The beef intervention price was reduced 15 percent, and the single country safety-net trigger was lowered to 60 percent of the intervention price.

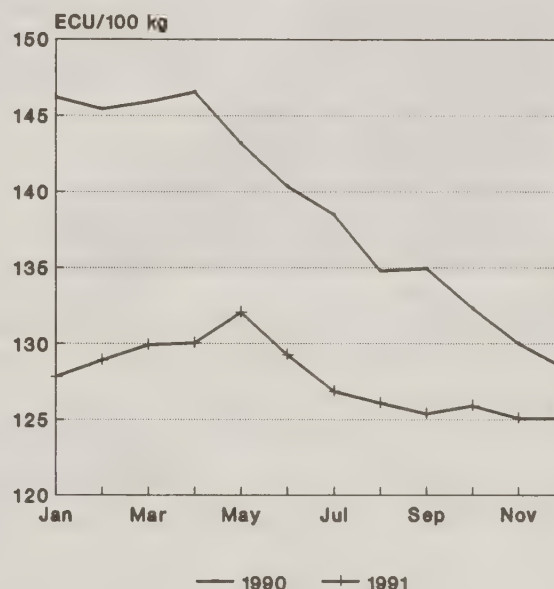
Beef producers will be compensated for the price reductions through increases in the suckler cow and male bovine premia. The suckler cow premium was increased from 40 ECU (\$64) per head to 50 ECU (\$79) per head for 1992/93, and at the end of the 3 year CAP Reform transition will be 120 ECU (\$191) per head. The male bovine premium, currently at 40 ECU (\$64) per head, will be increased to 90 ECU (\$143). A maximum of 90 animals per holding will be eligible for the male bovine premium. Producers were holding on to animals in 1992 in order to qualify for the largest possible number of premia.

To receive either premium, producers will have to respect stocking rate limitations, which will be set at 2.0 livestock

units (LU) per hectare beginning in 1996. The stocking rate limitations are designed to encourage less intensive livestock rearing methods. Those producers who keep their livestock densities at or below 1.4 LU per hectare are eligible for an additional 35 ECU (\$56) per head payment.

Figure 9.2

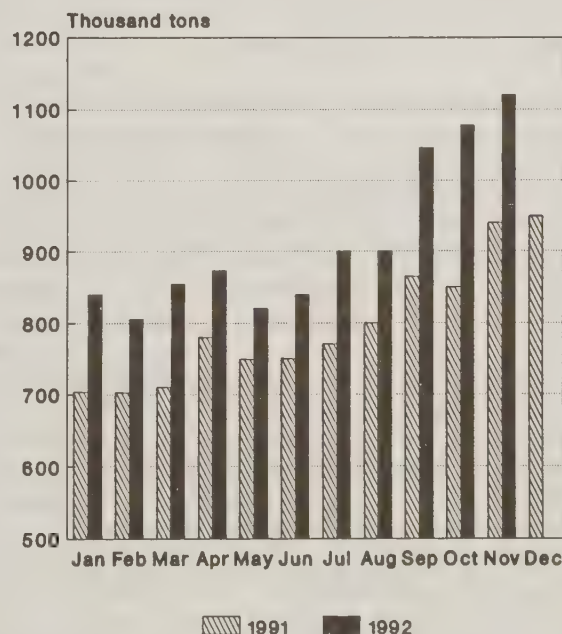
### EC-12 Beef Producer Price



Source: Eurostat.

Figure 9.3

### EC Beef Intervention Stocks



Source: Agra Europe.



The payment of premia for male bovines is limited by regional reference herds. The number of payments made will be limited to the number of animals eligible in 1990, 1991, or 1992. The suckler cow premium is limited by individual producer ceilings set in 1990, 1991, or 1992. The possibility of establishing 1992 as the base year for individual and regional reference herds has caused producers to build up their herds to obtain the highest possible ceilings.

The reduction in the milk quota that was included in the original CAP Reform proposals was not adopted. The Commission has stated that it will review the dairy markets annually to determine if quota cuts need to be made. For 1992/93, however, beef producers will not have to worry about the effects of a quota cut on prices.

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## Pork, Poultry, and Eggs

*The EC pork market reached a high point in the price cycle in 1992 after a glut last year. Production is expected to expand next year, with the potential for prices low enough to warrant Private Storage Aid. The poultry sector saw its lowest growth in 1992 since the mid-1980s, although turkey production continued to boom. Poultry consumption in 1992 will likely increase less than 1992's modest 2 percent.*

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### **Pork Prices High as Animal Numbers Decline in Early 1992**

The EC pigmeat market in 1992 continued to feel the effects of the widespread outbreak of "Porcine Reproductive Syndrome" or "Blue Ear Disease" in 1991 as smaller herds led to higher prices in the first half of the year. Profitability was good for producers in the first half of 1992 as EC-12 pig numbers were down more than 3 percent in the December 1991 EUROSTAT survey. In east Germany, the pig population was down more than 35 percent.

Producer prices for pork were sustained at a high level in the spring and summer of 1992, reaching a high of 158 ECU (\$251) per 100 kg this spring. This is in marked contrast to 1991, when Private Storage Aid was necessary to stanch the glut. Retail market prices did not follow suit, so slaughterers in the northern member states sought to drive down producer prices in order to maintain their margins. With the pork cycle favoring high prices, the market responded by expanding inventories. The EUROSTAT survey in August 1992 showed EC pig numbers up almost 3 percent over the previous year, after 2 consecutive years of decline. The volatility of this market was seen in July, when prices fell 7 percent, or 11 ECU (\$17) per 100 kg, in three weeks. By late September, prices had fallen to 121 ECU (\$192) per 100 kg. One potential reason for the increase in the pig population is the desire of pig producers to take advantage of the 20-percent cut in the price of cereals in July 1993.

In 1991, the pork market declined about 2 percent in both production and consumption, mainly due to contraction in the

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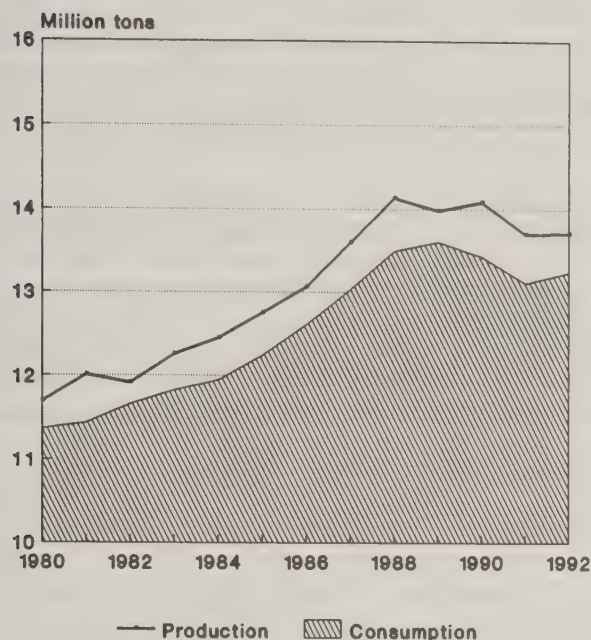
former East Germany. For 1992, EC production is estimated at 13.8 million tons, with consumption at 13.2 million tons (figure 10.1). This represents less than 1 percent growth in supply and demand. Production for 1993 is forecast to increase 3.1 percent. In response to the high producer prices and tight market situation last winter, the EC cut its pigmeat export refund in February 1992. EC exports of pork outside the Community are projected to increase 17,000 tons in 1992 to 687,000 tons.

Pigmeat production remains strong in Denmark, the EC's major exporter to third countries. An 8-percent increase in the Danish pig herd will likely put downward pressure on prices this year and next. With drought affecting Danish production of feed grains, Danish pork producers are bound to face higher feed costs. Danish exports to Japan could reach 180,000 tons in 1992, up from the recent low of 115,000 in 1990. By moving to long-term contracts with Japan, Danish exporters can concentrate their day-to-day sales efforts on selling to EC markets.

This summer, Japan phased out import bans on pork from the Netherlands and France as these countries were declared free of foot and mouth disease (FMD). Previously, the only EC members from whom Japan would import pork were Ireland, Denmark, and the U.K. To be declared FMD-free, a country must have ceased vaccinating for the disease for at least 1 year, and had no reported cases during that period. By August 1992, all EC countries had completed their year of non-vaccination. The Dutch Board for Livestock and Meat estimates that the Netherlands, which will send its first shipments at

Figure 10.1

## EC-12 Pork Supply and Use



Source: USDA.

the end of 1992, can eventually sell as much as 50,000 tons of pigmeat annually to Japan.

### Export Market Competition Slows Growth in Poultry Sector

Production of poultry meat will grow only 1.6 percent in 1992 to nearly 7 million tons, the slowest rate since 1985, with similar growth projected for next year. After rising 5 percent in 1991, consumption is expected to grow just over 2 percent this year, with even slower growth projected for 1993. The end of nearly a decade of strong growth for poultry can be traced to the general economic slowdown in the EC, and the fact that pork remains the staple meat in the European diet.

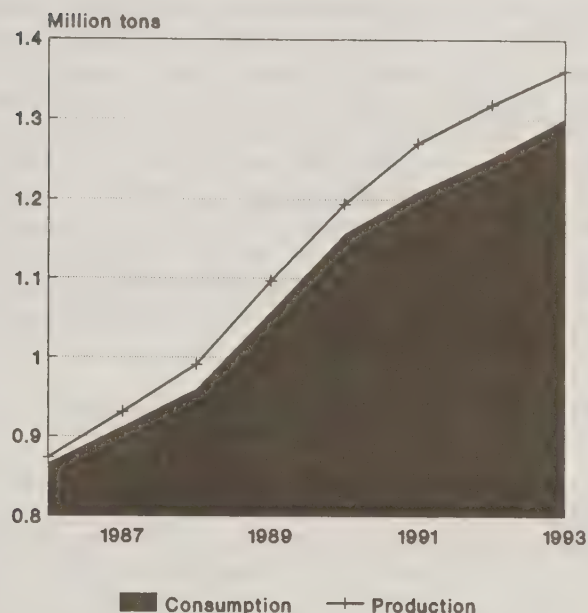
Growth in chicken production, which accounts for 70 percent of total poultry production, has been slowing, while production of turkey rose 6.4 percent in 1991, faster than EC turkey consumption (figure 10.2). Turkey production is expected to slow to under 4 percent growth in 1992, with turkey chick placements up 4 percent, mostly in France. The market situation in ducks and geese has been unattractive for producers as imports from Eastern Europe continue to receive preferential access to the EC market.

Broiler prices have fallen during 1992, as consumer demand has been sluggish compared with recent years. While lower prices may spur consumption, producers' profit margins have deteriorated due to rising feed costs. Another reason for the weak domestic market is strong competition from the U.S. and Brazil in important export markets such as the Middle East, for which the EC has increased its export refunds.

Extra-EC exports for 1992 are expected to remain stable at 515,000 tons in 1992 and rise 5 percent in 1993. From 1986

Figure 10.2

## EC-12 Turkey Supply and Use



1993 projected.  
Source: USDA.

to 1991, EC exports of poultry grew 27 percent annually. There has been little growth in EC broiler exports since before the Gulf War, in part due to the loss of an important export market in Iraq. Imports of broiler meat from outside the Community have been declining since 1990 due to expanded intra-EC trade, which has grown 21 percent annually since 1986 (figure 10.3).

### EC Egg Market Stagnant with Consumption Shifting Towards Processed Products

EC egg production is expected to rise 1.6 percent in 1992 after three straight years of decline. Egg consumption will increase by just over 1 percent, as consumption increased in Portugal, Spain and the United Kingdom by 5 kilograms per person. Per capita egg consumption has decreased gradually for 5 consecutive years to 217. One explanation is the shift away from in-home consumption of shell eggs towards the use of processed eggs in the food industry, including pasta, bakery, and ice-cream industries. The egg market is forecast to remain relatively stable in 1993, with continued consumption gains in Spain, the country with the EC's highest per capita consumption.

Strong competition from the U.S. in third markets has led to lower egg prices in the EC as potential exports have boosted EC supplies. The U.S. and the EC compete for export share primarily in Hong Kong and Saudi Arabia. When U.S. traders won a number of large contracts under the Export Enhancement Program in early 1992, the EC raised its export refund from 28 ECU (\$44) per 100 kg to 32 ECU (\$51). The EC needs the subsidies to sell eggs outside the Community because the EC market price for eggs in the spring was 80 ECU (\$127) per 100 kg, compared with 50 ECU (\$79) in the U.S.



The EC is forecast to suffer a 14-percent decline in extra-EC exports in 1993 in light of this competition.

In July, the French government passed a decree governing the establishment of intensive livestock farms. The decree effectively derailed plans by a German firm to construct a large-scale egg factory along France's Marne River and prompted French farmers to tar and feather the company offices and brick up the door. The plant would have housed 5.6 million hens and produced 4.2 million eggs weekly, equal to 15 percent of French production. The French government set a limit of 300,000 laying hens per farm, citing environmental concerns and the need to protect small- and medium-sized farms. Further measures limiting the size of pig and veal farms are also being planned.

### 1992 Single Market Program Standardizing Production and Marketing Rules

As part of the 1992 Single Market program, new production and marketing standards are in effect to improve product quality and facilitate intra-EC trade in the pork and poultry sectors. Common EC rules on slaughtering will take effect on January 1, 1993, leading to costly upgrading as meat producers undertake structural alteration to meet stricter hygiene standards. Last year the EC Agriculture Council recommended weakening the rules only for small abattoirs (slaughterhouses) handling less than 36 pigs a week or for abattoirs in remote areas slaughtering less than 60 pigs weekly. Other abattoir owners were eligible for a 2-year waiver if they submitted a renovation plan by April 1, 1992. It was thought that all small slaughterhouses might be exempted provided the output was small and the meat sold by the same company, such as in the typical one-shop abattoirs in Bavaria.

As member states implement the pigmeat veterinary directive, discussion continues over allowing uncastrated boars to be slaughtered at a weight up to 80 kilograms. The Germans object because of dislike for "boar taint", an unpleasant taste caused by increased hormone levels at puberty in boars. Danish researchers are developing a machine to detect "boar taint," so it may be possible to legislate against the flavor, while still permitting the lucrative fattening practice.

Final details of the hygiene and marketing directives already approved for the poultry and egg sectors are being decided in the Council. U.S. poultry meat exporters may be affected by new labeling and health inspection requirements, but could gain access to new markets such as Italy, which usually imports about 40,000 tons of specialty poultry parts and turkey. The extension of the CAP to the Canary Islands may adversely affect a strong market for U.S. poultry meat exports. In a major decision, the egg marketing directive has been clarified so that if a packer specifies the "sell by" date on the carton, the eggs themselves do not need to carry similar information.

An EC testing program for salmonella began in January 1992 for layer and broiler breeders, with commercial layers tested as of July 1993. Layer flocks that test positive may remain in production so long as the eggs are pasteurized before marketing. German slaughterers have developed a cold air tunnel chilling process that is reportedly much better than the counterflow spin chiller at reducing the spread of salmonella between carcasses hanging on hooks.

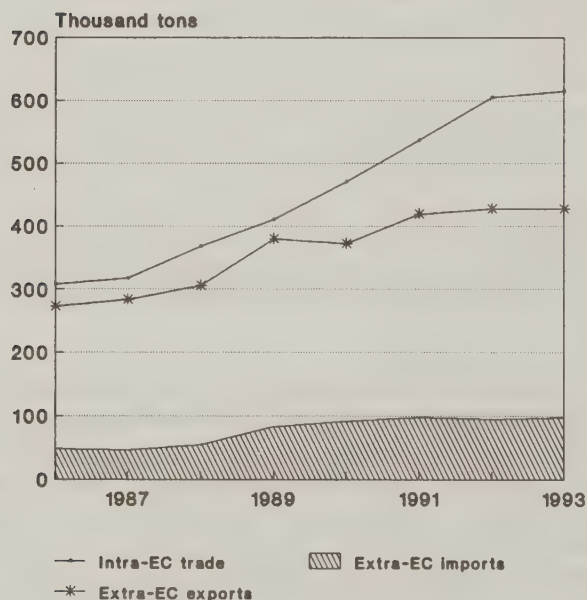
Besides salmonella, animal disease continues to be a concern in sectors characterized by intensive production. An outbreak of swine fever in the Netherlands, attributed to waste from a restaurant, led to 50 Dutch pigs being destroyed. All live pig markets were immediately banned in the Netherlands, as the region's last outbreak of swine fever caused the destruction of over a million pigs in Belgium in 1990. Exports of weaner pigs from Denmark were affected by widespread incidence of "Blue Ear Disease" in southern Jutland in early 1992. Some EC countries banned Danish pork, despite scientific evidence that meat is unaffected by the disease.

An outbreak of Newcastle disease in northern Belgium caused destruction of over 150,000 birds, for an economic loss estimated at \$1.2 million. Only farmers who vaccinate their flocks against Newcastle disease can receive financial compensation from the Ministry of Agriculture in case of outbreaks. In July, the Council of Ministers unanimously approved a directive establishing measures to fight Newcastle disease, including surveillance, bans on the movement of suspected poultry, and destruction of infected birds. In a related topic, the Ministry of Agriculture in the United Kingdom has urged consumers to boycott imported meat and "buy British," as the most animal welfare-friendly producer in the world.

[Daniel J. Plunkett, (202) 219-0620]

Figure 10.3

### EC Trade in Broiler Meat



1993 projected.  
Source: USDA.

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## Sheep and Goats

*Continued low prices made the 1991/92 marketing year another difficult one for EC sheepmeat producers. Despite low prices, farmers are maintaining herd sizes in order to maximize eligibility for ewe payments under CAP Reform.*

### Prices Recover in Some Member States

Lamb prices for the EC-12 dropped 10 percent in 1991, after falling nearly 13 percent the previous year (figure 11.1). The sharpest decrease occurred in Great Britain, where prices fell 15 percent from 1990. Lamb prices did not fall in every member state. In Greece, prices rose 7 percent, and in Ireland, where prices fell 21 percent in 1990, the increase was just over 5 percent. Prices throughout the EC are expected to recover in 1992.

Low EC prices were attributed to a number of factors, including a drop in consumption in the U.K. (by far the largest consumer), large supplies from east Germany, and increased competition in French markets. Production grew 4 percent in 1991 (figure 11.2), as the U.K. and Spain, the two largest producers, increased output 7 and 8 percent, respectively.

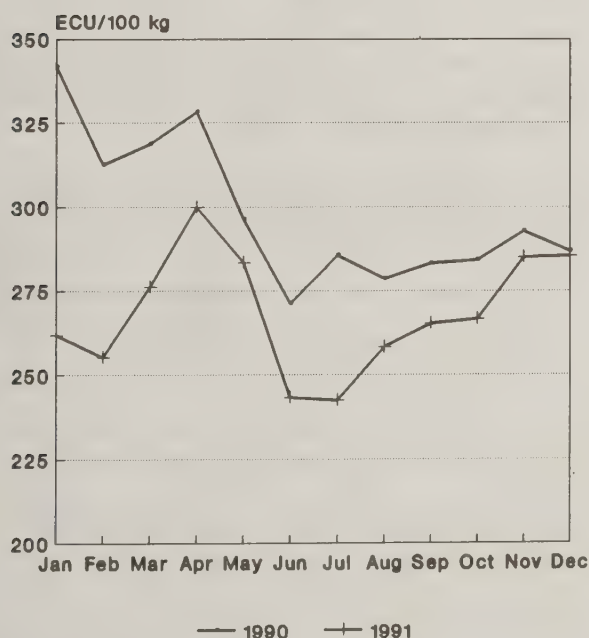
Every member state but France and Greece registered higher production in 1991. The 34-percent rise in Danish sheepmeat production was the largest increase, but accounts for a very small part of total production.

The recession is being blamed for reduced consumption in the U.K. EC sheepmeat consumption grows slowly compared to the steady increase in production. The increase of consumption in 1991 is estimated at less than 1 percent, and leaves the EC with a 87 percent self-sufficiency ratio.

The Maximum Guaranteed Level (MGL) for the EC herd was exceeded in 1990, necessitating stabilizer price cuts for 1991 of 5.9 percent for Great Britain and 7 percent for the rest of the EC. The MGL was exceeded again in 1991, and has triggered a stabilizer cut provisionally estimated at 7 percent

Figure 11.1

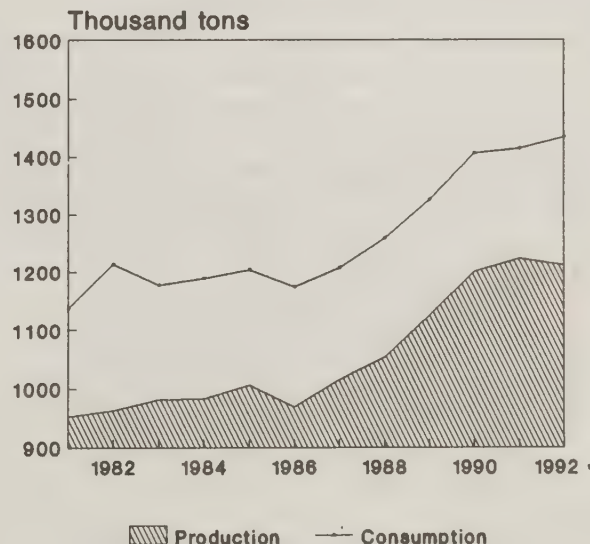
### EC-12 Lamb Prices



Source: Eurostat

Figure 11.2

### EC-12 Lamb Production and Consumption



\* 1992 data are projected and include east Germany.  
Source: USDA.



for the 1992 marketing year. Preliminary estimates indicate that the EC-12 sheep herd expanded slightly in 1992. The Danish herd increased substantially, as many dairy farmers responded to the milk quota by increasing their sheep and suckler cow herds.

### **Changing Trade Flows**

Developments in intra-EC trade were marked by increased competition on French markets. Irish sheepmeat was able to displace shipments from the U.K., traditionally the largest supplier. Irish prices were lower than U.K. prices because of the clawback, the tax charged on U.K. sheepmeat exports to offset the variable premium. Low prices on the U.K. market meant high variable premium payments, and therefore high clawbacks as well.

Depressed prices and consumption on the U.K. market reduced imports from New Zealand, the principal supplier. New Zealand exports are restricted by a Voluntary Restraint Agreement (VRA), which imposes a 205,000-ton limit. Of the total amount, 10,500 tons may be chilled product. The "sensitive area" designations, which had limited exports to Ireland and France during certain times of the year, ended at the end of 1990. Given low demand and prices in the U.K., New Zealand took advantage of this to diversify its marketings and increase sales of high-priced chilled product to France. Exports from a number of Eastern European countries increased, surpassing the levels permitted under their VRAs. The amount of over-shipment in 1991 will be subtracted from the ceiling for 1992.

The VRA governing New Zealand's sheepmeat exports to the EC will expire at the end of 1992, and negotiations will begin soon to replace it. The New Zealanders have indicated their interest in expanding the quota for chilled sheepmeat, which is a higher value product. Given the low prices that have plagued EC producers, negotiations could prove difficult. The current agreement was not adopted until late September 1989, although the previous one had expired in 1988.

### **CAP Reform To Alter Regime Again**

The 1991 marketing year was the last under the old sheepmeat regime, which was altered beginning in 1989. The U.K. decided to eliminate its Variable Premium Scheme as of December 31, 1991, a year ahead of schedule. Beginning with the 1992 marketing year, the U.K. will no longer be subject to a separate stabilizer mechanism, and the clawback will not be

paid on its exports. The annual ewe premium will be the only type of payment made to producers, and aids to private storage will be the only form of direct market support (intervention buying was eliminated in the new sheepmeat market organization).

Unlike the CAP Reform provisions for other sectors, no price reduction was adopted for sheepmeat. Under CAP Reform, individual producer rights to ewe premia will be created. These rights will be limited by an individual producer ceiling. The ceilings will be maintained at 1,000 ewes in less favored areas and 500 ewes elsewhere, and 50 percent of the premium is payable on animals beyond these totals. As part of the CAP Reform debate, the Commission had proposed reducing the individual producer ceiling.

The number of premia a producer may receive is limited by his herd size in 1991, adjusted to reflect changes in his herd since 1989. If the herd was larger in 1989 than in 1991, the producer will be eligible for more premia than were received in 1991. However, if the herd has been expanding since 1989, the producer will be limited to the number of premia received in 1991. Producers were maintaining their herd sizes in the wake of CAP Reform, in order to be eligible for as many premia as possible.

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# Dairy

*Smaller milk supplies have reduced some of the surplus in EC dairy markets after the 2-percent quota cut in 1991/92. Continued reliance on subsidized consumption of butter and nonfat dry milk has kept producer prices strong and allowed the drawdown of public intervention stocks. With milk supplies restricted by quotas and increasing demand for cheeses and fresh dairy products, intervention purchases and dairy budget costs should not be overly burdensome in 1993.*

Deliveries of fluid milk to EC dairies were down 1 percent from a year earlier in the first 7 months of 1992. Deliveries in Germany have fallen more than 5 percent, primarily due to restructuring in the east, where deliveries to dairies were down 18 percent from 1991. Stocks of intervention products are remarkably low compared with recent years, with only 1 month's production of butter and 20 days' production of milk powder in public and private hands.

## Butter Production Down, Powder Market Characterized by Tighter Supplies

EC butter production in 1992 is projected to be about one-third less than the 1986 peak. Production fell 10 percent in 1991, with a further drop of at least 4 percent anticipated this year (figure 12.1). Tightening of the quota and lower production related to decreased consumer demand have eaten away at the EC's "butter mountain." The EC no longer needs to rely as heavily on special schemes to dispose of butter. With consumption stabilizing between 1.5 and 1.6 million tons, the EC's exportable surplus of butter is little more than a quarter

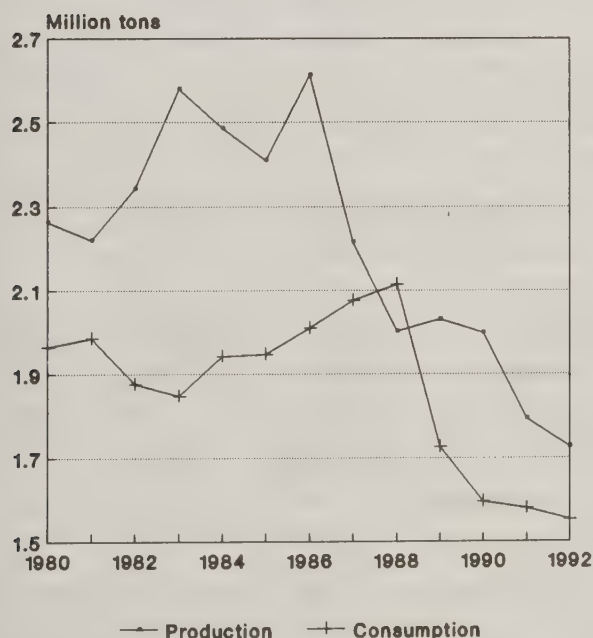
of a million tons. Butter exports will be less than 300,000 tons in 1992, less than half of the peak in 1987 and 1988.

In August 1992, public intervention stocks of butter had steadily declined to 168,000 tons, well below the 275,000-ton ceiling at which the buying-in price rises from 90 to 92 percent of the intervention price. In the year previous, public butter stocks were close to 400,000 tons. With butter prices above the buying-in price, only small quantities were being accepted into intervention, mostly in the southern member states. Without the intervention agencies to clear the ongoing surplus from the market, privately held stocks of butter grew rapidly, reaching 183,000 tons in late August.

In the market for nonfat dry milk (NFDM), EC production is estimated below 1.5 million tons in 1992. This represents a drop of 2.6 percent from 1991, when production decreased 17 percent from the year before. Dutch production has fallen to only one-fifth of the 1983 high. U.K. production is only half as high as in 1983. The EC continues to subsidize 80 percent of total NFDM consumption for incorporation into animal feed (figure 12.2). Other disposal measures include

Figure 12.1

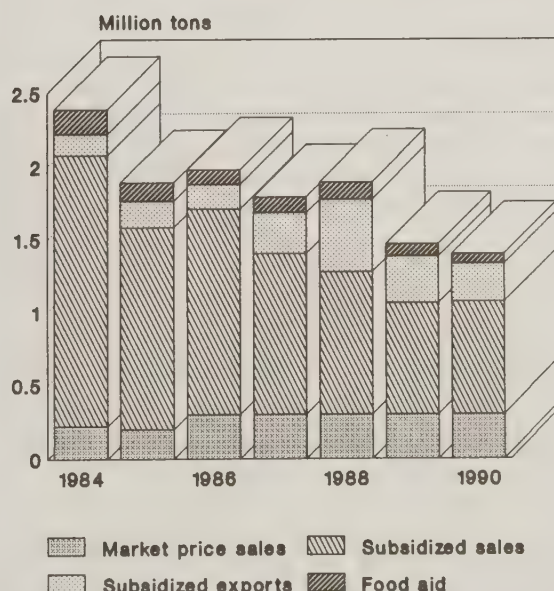
## EC Butter Supply and Use



Source: USDA.

Figure 12.2

## EC Disappearance of Nonfat Dry Milk



Source: EC Commission.



substantial food aid contributions and subsidized exports of about 275,000 tons in 1992. NFDM public stocks stood at only 93,000 tons at the end of August.

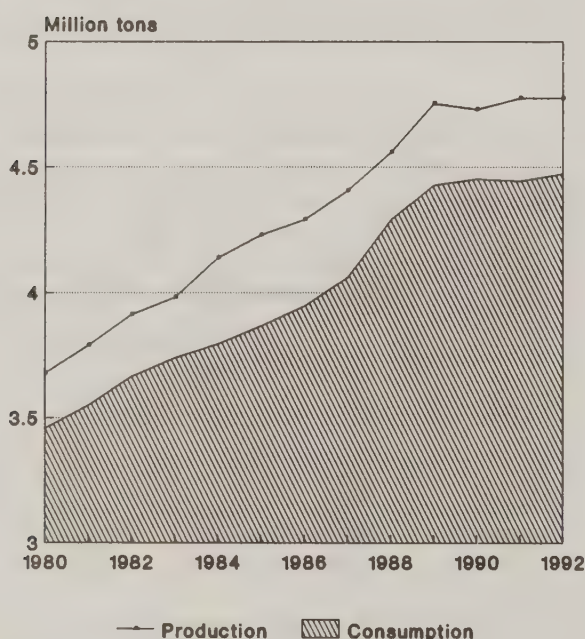
With the market tight for manufacturing uses of milk going into the summer, the EC cut export refunds on NFDM for the first time in nearly 2 years, from 70 to 65 ECU/100 kg. This was followed by the lowering of other subsidies designed to cope with the EC's surplus of skimmed milk. The EC reduced the rate of aid for NFDM incorporated into animal feed from 65 ECU (\$103)/100 kg to 60 ECU (\$95)/100 kg. With public stocks very low, the subsidy for incorporation of NFDM out of intervention was also lowered, to 40 ECU (\$64)/100 kg. Aids were also lowered on liquid skimmed milk used for casein and for feeding to calves, and on NFDM for recombination. This indicates a shift in demand away from the intervention products (butter, skim milk powder) towards fresh products such as liquid milk, yogurt, ice cream, and use in the food processing industry.

Reduced quantities of milk in the second half of 1991 led to decreased exports of milk powder, particularly from the Netherlands. Dutch exports of skim milk powder were down 75,000 tons in 1991, with 35,000 tons of trade lost with Mexico due in part to U.S. competition. Dutch exports of whole milk powder were down 25,000 tons to 210,000 in 1991, due to declines in shipments to the former Soviet Union and Algeria. In 1992, EC traders have discounted their price in order to maintain the export of dairy products such as milk powder, butter, and butteroil at year-before levels despite the weaker dollar and the cutting of export subsidy rates by the EC.

Figure 12.3

### EC Cheese Supply and Use

fig



Growth in the cheese market, strong throughout the 1980s, has slowed considerably (figure 12.3). Cheese consumption, growing at about 3 percent a year since institution of the dairy quota in 1984, has stagnated in 1991 and 1992. The German market continues to adjust, lowering demand within the EC. Export sales of cheese remain stable near 450,000 tons annually, with Italy maintaining its strong position. Ireland is also producing more cheese for export, although casein remains Ireland's major agricultural export.

Forecasts for 1992 are for reduced milk deliveries as drought in the northern countries may lead to reduced yields. Another factor tending toward lower overall production of fluid milk is the tighter controls on over-quota production promised by Greece, Spain and Italy as conditions for potential increases in milk quota allocation in the future. For 1992/93, the EC quota will remain at 109.6 million tons (table 12.1)

As part of the CAP Reform negotiations, tighter controls on overproduction in Greece, Italy and Spain were set as conditions for increases in their national milk quotas. Italy claimed that its national statistical agency had underestimated its milk deliveries in the original quota calculations nearly a decade ago. Since then, Italy has produced about 2 million tons of milk over its quota (figure 12.4). It is estimated that Italy owes over \$3 billion in unpaid superlevy for this overproduction. In December 1992, Italy was awarded the extra milk quota, contingent on reduction of its overproduction.

Italy has pledged to implement the requirements of the Community regulations on the dairy quota system during the current marketing year, including the granting of reference quotas to individual producers in October. In August 1992, the Italian government announced a production decrease of

Table 12.1: EC milk quota 1992/93

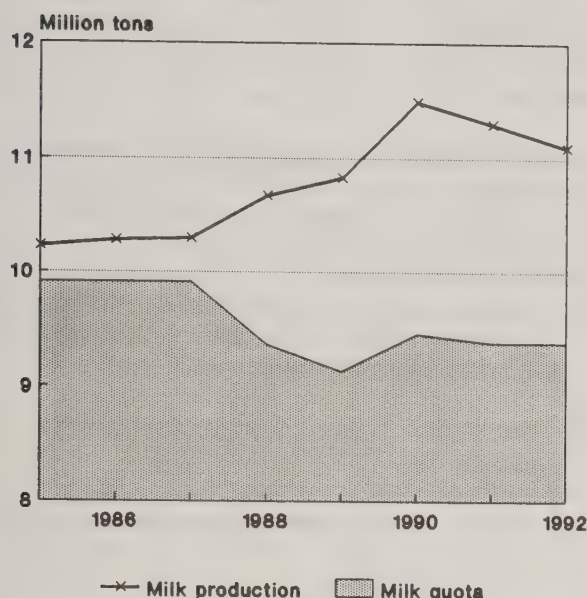
	Delivery quota	Direct sales quota	Total milk quota
-----Thousand tons-----			
Belgium	2,983	381	3,364
Denmark	4,524	1	4,525
W. Germany	28,434	153	21,927
Former GDR	6,600	60	6,660
Greece	537	45	581
Spain	4,551	528	5,079
France	23,865	748	24,613
Ireland	5,286	16	5,301
Italy	8,649	733	9,382
Luxembourg	271	1	272
Netherlands	11,121	92	11,213
Portugal	1,779	121	1,900
U.K.	14,405	384	14,789
<b>Total EC milk quota 1992/93</b>			<b>109,606</b>

Source: CAP Monitor



Figure 12.4

## Milk Production in Italy During EC Dairy Quota



Sources: USDA; CAP Monitor.

1.6 million tons by 1995. This would bring Italian production down to 9.9 million tons, the quota level Italy hopes to be awarded. However, milk deliveries in Italy were up 17 percent in the first 6 months of the 1992/93 marketing year.

### Raw Milk Still OK for Soft Cheeses

In June the Council of Ministers approved a regulation harmonizing the rules on trade in raw and heat-treated milk, as well as trade in milk products. After much discussion, the regulation permits the use of unpasteurized milk in soft cheeses such as camembert or brie. A proposed ban on cheeses made with raw unpasteurized milk fell through, partly due to the threat posed to the traditional production methods. The Council also decided on certification of origin rules designed to protect the names of products, but only those new to the market. Product names that are already well established, such as mozzarella, camembert, emmental and feta, can still be used outside of the country of origin.

The EC has extended until December 1993 its moratorium on bovine somatotropin (BST), a hormone that can increase milk production. The Commission first enacted the ban in 1989. Some in the EC fear that BST-induced yield increases would force some farmers out of business, and that consumers would reduce milk consumption if BST were used. Permitting BST would also go against the EC's position against the use of growth stimulants in meat animals.

### Restructuring Accomplished through Quota Buy-up Scheme

Over the last year, member states were conducting a voluntary buy-up scheme authorized by the 1991/92 price package under which the national governments purchase milk quota from

producers. The EC provided 100 ECU (\$159) per ton per year for 5 years on up to 3 percent of national production. Member states could also buy in additional quantities and top up the EC payment out of national funds. Quantities of quota bought up go into the national reserves in order to furnish the *SLOM* farmers (*slacht en omschakeling*—the slaughter and herd conversion program from the 1980s), and those in disadvantaged regions, as well as to avoid any decrease for producers subject to the 2-percent overall quota cut.

The potential for different versions of the quota buy-up scheme offered member states the opportunity to direct the restructuring of the dairy industry within their borders. Germany was seeking to purchase 675,000 tons, or 2.4 percent, of the guaranteed national quota. German farmers met that amount by the end of 1991, enticed by an EC premium of DM 1.17/kg supplemented by 33 pfennig from national funds. France was seeking the buy-up of 1.1 million tons of milk delivery rights, 4.5 percent of its national quota, with the Community providing 3 billion francs. By fronting a lump sum payment out of national funds, Denmark was aiming to buy up 9 percent of guaranteed national milk production at one-third of the EC price.

The Danish Dairy Federation, which brought the plan forward, foresaw 20 percent of Denmark's 20,000 dairy farmers leaving the business. In Spain, over 20,000 farmers contributed nearly 900,000 tons of quota rights with compensation of 9.35 pesetas per liter for 7 years. The Spanish quota bought up went into a "national reserve" for "hardship" cases, such as young farmers and dairy firms with modernization plans. As many as 200,000 dairy cows in Spain would have to be slaughtered or transferred to meat production as suckler cows.

Reform in the dairy sector can save the Community money. In a budgetary report, the Commission estimated savings of over 200 million ECU (\$274 million) from the 2-percent quota cut adopted as part of the 1991/92 price package. Decreasing the volume of milk and products on the market was estimated as saving 151 million ECU (\$207 million) through decreased intervention buying. The Commission hoped to save 44 million ECU (\$60 million) by reforming the system of intervention tenders, as well as by lowering the buying-in price for butter to 90 percent of the intervention price (with stocks above the 275,000-ton ceiling). By reducing the aid for NFDMD used to feed calves from 70 to 65 ECU/100 kg, and for liquid skim milk to feed calves from 5.68 to 5.27 ECU/100 kg, the Commission estimated further savings of 18 million ECU (\$25 million).

### EC Commission Objects to British Dairy Policy

The England and Wales Milk Marketing Board (MMB) has run up against the EC Commission in two court cases that place the MMB in a contradictory position regarding free trade in milk. The Commission issued its "reasoned decision" on one case, currently before the European Court of Justice, in which the MMB attempted to force low-fat milk producers to sell within the MMB pricing scheme for the whole milk monopoly. The outcome could limit the power of commodity marketing boards throughout the EC.



The other case involves the EC Commission investigating the U.K. policy allowing start-up dairy operations to lease milk quota. Temporary transfer of milk quota rights is conducted on the open market in the U.K. and the Netherlands, while in Ireland and France producer cooperatives oversee quota transfer on a marketing year basis. Some countries, including the U.K., have lobbied for quota transfer across national boundaries. This would allow rationalization of milk production and use on a regional basis, and perhaps limit overproduction of butter and nonfat dry milk, the two intervention products.

The restructuring of the MMB also places the monopoly at odds with the Commission. Plans continue for dismantling the MMB into a single cooperative, with producers required to give 3 years' notice before withdrawing. The Commission's Competition Directorate would prefer division into three cooperatives, with more liberal rights of exit. There is great interest in the potential sale of Dairy Crest, the marketing and processing arm of the MMB, which markets 80 percent

of dairy production in England and Wales. However, Dairy Crest carries about 200 million pounds sterling in debt.

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## Sugar

*Reduced acreage, low sugar content, and poor weather cut sugar production 7 percent in 1991. Member states move to improve production efficiency. Sugar regime to be reviewed in 1993.*

### EC Production Declined in 1991/92

Despite nearly a 1-percent reduction in production area, near perfect beet growing conditions across the EC, particularly in France and Germany, may push 1992/93 production to 17 million tons raw value, up 1.2 million tons from 1991/92. EC sugar beet yields are projected to increase 7 percent to 8.5 tons per hectare.<sup>1</sup>

EC sugarbeet production declined in 1991/92 to 15.8 million tons, down 1.2 million tons from 1990/91.<sup>2</sup> Sugarbeet area decreased 5 percent to under 2 million hectares. Yield dropped 2.0 percent to 7.93 tons per hectare due to poor weather. The sugar content of beets was also lower.

Sugarbeet yields are determined by climatic and weather conditions. The north of Europe possesses a more favorable sugarbeet climate than the south, as demonstrated by consistently higher yields. Poor weather can cut yields 15 to 20 percent. Ideal sugarbeet growing conditions are alternating periods of sun and warmth with showers. Mechanization and biotechnology, specifically monogerm seeds and the development of disease-resistant seed varieties, also influence yields. Yields are measured by the volume of sugarbeets harvested per hectare and the sucrose content of the beets.

Across Europe, unfavorable weather and reduced production areas caused a decline in sugarbeet production in 1991/92. A 6-percent decline in France, the leading EC sugarbeet producer, was due to a 4-percent reduction in planted area and lower sucrose content. In 1992/93, French sugar production (excluding the *Départements d'Outre-Mer*) is projected to increase 11 percent to 4.9 million tons.

A hot, dry summer in 1991 contributed to a 9-percent reduction in German beet yields. Higher yields and sugarbeet tonnage are expected to increase German production 7 percent to 4.6 million tons in 1992. Despite a modest production increase, Italian production continued to fall short of its sugar quota for 1991/92 due to: limited rain; low sugar content resulting from disease, cercospora and rhizomania; a short cultivating period and an early harvest; and a reduction in crop area. After a promising start, inadequate rain in July cut a potentially above-average yield to average in the U.K. in 1991. The 1992/93 U.K. crop prospects are very good at 1.4 million tons of sugar, despite an increase in occurrences of rhizomania, a disease that seriously reduces the sugar content of the affected roots.

Sugarcane production represents about 2 percent of total EC sugar production. EC production is limited to the French "DOM" (*Départements d'Outre-Mer*), which are not included in this report's production totals, and to Spain. Production in Spain remained stable at 15,000 tons in 1991/92. Under the 1986 EC-Accession agreement, Portuguese sugar refiners are

<sup>1</sup> Unless otherwise indicated, all data reported as raw value.

<sup>2</sup> Production figures exclude French overseas departments.

permitted to import 308,000 tons of raw cane sugar levy-free or at a reduced levy. The Refiners Agreement will be revised in December 1992, at the end of the EC-transition period. The EC Commission has proposed extending the agreement through June 1993. While sugarcane refiners continue to dominate the Portuguese sugar sector, there are plans to start a beet sugar industry with the help of the EC and national subsidies.

Overall sugarbeet production in other non-EC Western European countries decreased 16 percent to 1 million tons in 1991/92, the first decline in 4-years. Unfavorable weather, reform of the agricultural and food policy, and the need to work down high stocks led to a 40-percent decline in Sweden's sugar production to 252,000 tons. Sugar production in Finland dropped 8 percent and in Switzerland 15 percent. However, Austria, the largest non-EC Western European producer, was an exception with a 3-percent increase. Persistent drought conditions have adversely affected sugarbeet production in Sweden and Austria in 1992. (figure 13.1)

### No Change in Sugar Quotas

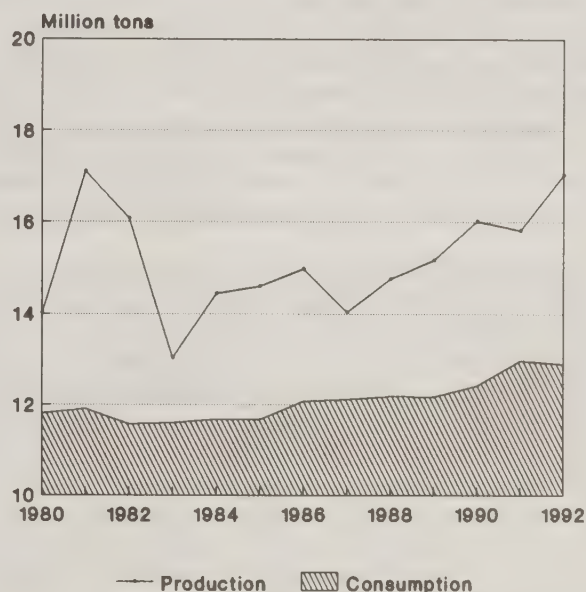
Sugar production in the EC is limited by non-transferable national quotas. The quota for "A" sugar is set at estimated domestic consumption: 11.2 million tons. The quota for "B" sugar, 2.5 million tons, is equal to the subsidized exports desired by the Community. Maximum sugar quota production (A + B) totals 13.7 million tons annually.

Excess production in the form of "C" sugar is exported at the producer's risk at world market prices. At the end of the marketing year, producers may choose to hold over some "C" sugar and use it for the following year's "A" quota. Close to 1 million tons of "C" sugar were carried into the 1992/93 marketing year. Although the 1993/94 carryover of "C" sugar

will not be decided until late January 1993, the figure is not expected to drop below 1 million tons, due to low world market prices. The amount of "C" sugar produced varies annually according to weather conditions, inputs, and world sugar prices. In 1991/92 the EC produced 2.5 million tons of "C" sugar, down 21 percent from the previous year. (table 13.1)

Figure 13.1

### EC-12 Sugar Production and Consumption



Source: USDA.

Table 13.1: Distribution of sugar and isoglucose quotas 1992/93

	White sugar			Isoglucose (dry raw materials)		
	A quota	B quota	Maximum sugar quota	A quota	B quota	Maximum isoglucose quota
EC			13,675			291
Belgium	680	146	826	57	15	72
Denmark	328	97	425			0
Germany	2,637	812	3,449	29	7	36
Greece	290	29	319	11	2	13
Spain	960	40	1,000	75	8	83
France	2,996	806	3,802	16	4	20
Ireland	182	18	200			0
Italy	1,320	248	1,568	16	4	20
Netherlands	690	182	872	7	2	9
Portugal	64	6	70	8	2	10
United Kingdom	1,040	104	1,144	22	6	26

Source: EC Commission.



To maintain income for EC sugar producers, the EC limits production of high fructose starch sweeteners (HFSS), commonly known in the EC as isoglucose. Isoglucose production is fixed by quota at about 2 percent of the maximum sugar quota, or 291,000 tons. Any increase in isoglucose production by a member state must be offset by a reduction in its sugar production quota. The Italian government is replacing two sugarbeet factories in southern Italy with tomato processing plants as part of a larger plan to assist the start-up of isoglucose production and pectin.

### ***EC Sugar Regime To Be Reviewed in 1993***

The current EC sugar regime will expire in June 1993, having been extended 2 years at the request of the Commission. John Gummer, U.K. agriculture minister, plans to conclude negotiations for the new regime before the end of his term as president of the EC Council of Ministers at the end of December 1992. Ray MacSharry, EC farm commissioner, requested the Commission executive to begin discussing the reform proposals by the end of September 1992.

The European Court of Auditors, the EC financial watchdog, issued a report in November 1991 denouncing the sugar regime as "counter to the very concept of the common market." The Court of Auditors' report criticized the regime for failing to control production and budget expenditures and to achieve reasonable prices for consumers. In response, the Commission defended regional production quotas as a way to maintain continued sugar production in all regions of the Community, ensuring the development of rural society. The Commission further rejected the Court's accusation of high EC sugar prices citing the similarity between EC sugar prices and those from other industrialized countries.

The EC Parliamentary Committee on Budgetary Control followed with the Pasty Report which espoused tradeable, non-national quotas, price cuts, abolition of national aid measures, and reforms to the budgetary allocation of expenditures. The full assembly of the European Parliament failed to adopt this report.

The Commission is expected to issue one or several proposals for the reform of the sugar regime in October 1992. The proposals may include changes to the quota system of subsidized exports, to the preferential treatment of imports from Caribbean producers under the Lomé Convention, and to the guaranteed price level. Terms for the import of raw sugar, of particular interest to Portugal, are expected to be set.

### ***How Will CAP Reform Affect the EC Sugar Regime?***

The EC sugar regime will be reviewed during the second phase of CAP reform. How CAP reform will affect the regime is unknown. However, the reduction of cereal prices under CAP Reform may accelerate change in the sugar sector in 1993. Cheaper to produce cereal-based sweeteners may become more attractive, leading to a shift away from sugar in food and non-food uses. Or, alternative crops like Jerusalem artichoke or chicory may someday displace some sugar use. Unlike isoglucose, inulin syrup, a fructose syrup produced from chicory, is not subject to existing EC sugar or isoglucose

regulations. Area planted to chicory is still only about 5,000 hectares in the EC, compared with 1.9 million hectares for sugarbeets. Cheaper grain prices may also reduce the price of beet pulp, a sugar byproduct used for animal feeding.

Although CAP Reform may result in a reduction in sugar production quotas, some member states are lobbying the EC Commission for an increase in their sugar quota. Due to the high profit margin on sugar production, German officials would like to raise significantly their sugar quota in eastern Germany.

### ***Consumption Stable***

EC-12 sugar consumption remained relatively stable at 13.00 million tons in 1991/92. In France, sugar consumption is expected to level off or decline as a result of competition from corn sweeteners and low calorie sweeteners. German consumption of grain-based and artificial sweeteners, and reduced-calorie sweeteners is growing. Although uneven prior to unification, German consumption patterns are now virtually identical. A cooler than normal summer in 1991, a VAT increase, and the recession caused U.K. sugar consumption to drop 2 percent.

### ***Sugar Substitute Use Grows***

As the diet and processed food industries grow, restrictions limiting isoglucose use have relaxed and consumption has increased in some member states. In 1988 the French government authorized the retail sale of low-calorie sweeteners by French food distributors and their use by the food industry. By 1989/90 the use of low-calorie sweeteners increased 123 percent to 58,000 metric tons.

Spain approved the sale of several sweeteners in food stores for use as table top sweeteners beginning in 1990; previously they could only be acquired in pharmacies. Although store sales in 1991 reached only about \$12 million, compared with \$33 million in pharmacy sales, the future sales outlook is good. Across the EC, saccharin is widely used in non-food applications, the most significant growth being in non-food industries, such as dentifrice, cosmetics, pharmaceuticals, and animal feed.

Future demand for sugar substitutes may be influenced by the harmonization of regulations as part of the EC-92 program and by price competition. Sweeteners would then be available throughout the Community.

### ***Industrial Use is Unpredictable***

Industrial use of sugar may be on the rise in France, particularly if sugarbeet producers can convince the French government to require the incorporation of "bioethanol" into gasoline. Currently, the oil refining industry refuses to purchase ethanol produced from sugarbeets for use in fuel. The French government granted biofuel permanent tax-exempt status in 1992. French sugarbeet growers are lobbying the French government and the EC for the right to grow sugarbeets for ethanol production on set-aside land. Conversely, the German pilot ethanol production plants were recently closed after



losing public subsidies. German sugar industry officials are pessimistic about future industrial use.

Industrial sugar use is not without competition. Since 1988/89, the chemical and pharmaceutical industries have substituted corn glucose for sugar because of cheaper corn prices.

### **EC Sugar Exports Drop in 1991/92**

Net exports, excluding intra-EC trade, declined 21 percent to 2.9 million tons in 1991/92 from 3.7 million tons. As the leading EC sugar exporter, France exported 2.6 million tons, including intra-EC trade, in 1991/92, down 7 percent from 1990/91. In 1991/92 German exports dropped 19 percent, perhaps due to the war in the Persian Gulf. Germany primarily exports to countries in the Middle East.

Approximately 1.6 million tons of "C" sugar were exported at world market prices, down 25 percent from 1990/91. This may be attributed, in part, to a drop in world market prices and EC production. Initial forecasts set 1992/93 quota sugar exports at about 3.25 million tons, 2 percent under 1991/92 exports. "C" sugar exports could reach 2.4 million tons in 1992/93.

EC sugar producers will continue to face increasing competition from other exporters such as Brazil, Thailand, India and China, which ship lesser quality, yet cheaper white sugar.

EC sugar imports, excluding intra-EC trade, dropped slightly to 1.87 million tons in 1991/92. This includes approximately 1.4 million tons of levy-free sugar from the African, Caribbean, and Pacific (ACP) countries, about 230,000 tons from

French DOM's, and 177,000 tons of sugar at reduced import levies for processing in Portugal. Under the 1986 Accession agreement, Portugal is allowed to import a portion of its sugar from ACP countries at world market prices. This agreement terminates at the end of 1992, but is likely to be extended through June 1993.

In 1992, the EC appropriated 2.1 billion ECU (\$2.9 billion) for the sugar regime of which 721 million ECU (\$989 million) were allocated for intervention. Export refunds increased 11 percent to 1.4 billion ECU (\$1.92 billion), as world market prices dropped to their lowest level in 4 years at 12.65 cents per pound for white sugar. (figure 13.2) Export refunds may rise in 1992/93 as no change in world sugar prices is expected due to a projected bumper world sugar crop and the large surplus as producer levies reduced total sugar budget expenditures 59 percent earning 1.2 billion ECU (\$1.65 billion) in 1992. Net budget expenditures increased 32 percent in 1992 to 874 million ECU (\$1.2 billion).

### **Germany Gears Up for 1993**

The German sugar industry is gearing up for the single European market in 1993. Plant closings or mergers in Germany and the restructuring of the east German industry mark efforts to modernize and improve the efficiency of the sugar industry. Eighteen of 42 mills in eastern Germany have closed since unification, leaving only 24 in operation. Three new, modern, and efficient processing plants are in the planning stage or currently under construction. Out of 30 companies operating in western Germany in the 1980s, 5 major ones and 5 smaller companies remain. Improvements in production techniques are expected to reduce the land area required to meet the EC sugar quota.

### **Spanish Price Alignment To Take Effect 1993**

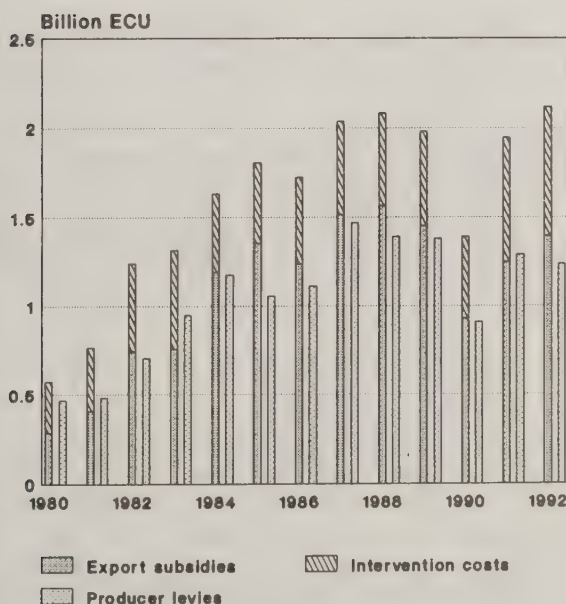
In anticipation of full alignment with EC sugar prices beginning in 1993 and to be completed by 1995, Spain continued to improve efficiency at the processing and farm level. Sugarbeet price supports were cut 3 percent in 1991/92. White sugar and isoglucose prices remained relatively unchanged in the last 2 years. As part of the restructuring program, 20 out of 32 factories have closed since the 1980s. Farmers have reduced production costs, increased mechanization, and begun to use monogerm seeds. Yields in 1992/93 are projected to be above normal at 40 tons of beet per hectare and 130 kilograms of refined sugar per ton of beet.

### **Ireland Privatized Sugar Industry**

In 1991 Ireland privatized its semi-state Irish Sugar Company and its subsidiary companies. Irish Sugar plc. holds a monopoly on sugar processing and sales. Over the last 10-years, modernization of processing facilities and improvements in technology and management at the grower level have increased yields, sugar contents, and production. Irish sugar growers now perceive large sugar stocks have depressed prices. In response, growers have pressured Irish Sugar plc. to cut the sugarbeet quota to farmers 1.5 percent to 1.38 million metric tons for 1992/93.

Figure 13.2

### **EC Sugar Expenditures and Revenue**



Source: EC Commission.

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## Wine

*The EC's wine surplus was slightly lower in 1991/92 mainly due to record low table wine production. Aid for grubbing up vines contributed slightly to the low production although weather was the key factor. With consumption and exports in a long-term decline, the EC plans to reform the wine regime in 1993/94.*

The excess of production over domestic consumption is responsible for the EC's intractable wine surplus. The problem is one of too much table wine (i.e., lower quality wine.) Despite record low table wine output of 99 million hectoliters (hl), nearly 24 percent of the total wine output had to be removed from the EC market by distilling into alcohol.

Ending stocks for 1991/92 of 126 million hl, 1.2 million hl less than 1990/91, but high even by EC standards, will contribute to an over-supply problem for the 1992/93 marketing year. Large carry-in stocks and a rebound in production will probably induce the EC to authorize significant sales of surplus wine to distillers under Community distillation programs.

Wine production in the EC is dominated primarily by France and Italy, although Germany, Spain, and Portugal are significant producers. By the end of the 1980s, France and Italy were responsible for about 67 percent of EC production (table 14.1). The EC-12 produced 155 million hl of wine in 1991/92, 15 percent less a year earlier (figure 14.1). This decline resulted mostly from damage from spring frosts in France, Spain, and Portugal. French production fell 30 percent to 45 million hl.

### Consumption

Although the EC has a keen interest in reducing its internal wine surplus, declining consumption will postpone achieving this goal beyond 1993. Although the EC has the world's highest per capita wine consumption, domestic demand is declining faster than production can slow to meet it. EC citizens consumed 125 million hl of wine in the 1990/91 marketing year, less than in 1989/90. According to the EC Commission, the trend of annual consumption has fallen from about 145 million hl in 1982 to 120 million hl in 1992, and is likely to decline further to 115 million hl by 1995.

Consumption in the major producing countries has been in a long term decline and is driving down aggregate demand in the EC, which averaged 40 liters per head in 1989/90. Consumption is increasing in the Netherlands, the United Kingdom, Germany, and Belgium, but these countries traditionally have the EC's lowest per capita consumption rates and have only a moderate impact on aggregate EC demand. For example, in 1989/90, the people of the Netherlands, the United Kingdom, and Germany, consumed 16, 13, and 26 liters per head, respectively (figure 14.2), fewer than French and Italian consumers and below the EC-12 average. In general, EC consumers are drinking less table wine and more quality wine and products such as sparkling wine.

The inability of the regime to slow production may be one overriding issue that shapes the reform of 1993. The Com-

Table 14.1: EC total wine production 1/

	Average			
	1985-88	1988/89	1989/90	1990/91
	-----Million hl-----			
EC-12	201	162.4	178.7	184.2
France	70.4	56.6	60.5	64.3
Germany	8.9	10	14.5	9.5
Greece	4.5	4.7	4.5	3.5
Italy	71	63.3	59.7	54.5
Portugal	9.7	3.5	7.9	11.4
Spain	36.4	24.2	31.3	40.9

1/ October-September crop year.

Source: FAO.

mission has, in the past, reformed its wine regime in response to a crisis or a longstanding problem. The Commission reformed the regime after 1985 in response to rising distillation costs. In 1982, it reformed the regime to cope with over-production. Also, the Commission hoped to ease the impact of

30 million hl of wine from the eventual accession of the world's third largest producer, Spain. The EC has proposed to reform the wine regime again in 1993.

### Trade

The EC is becoming increasingly unable to dispose of its surplus wine on overseas markets. The EC is still a net exporter of wine, with 9.8 million hl of exports, versus imports of 2.7 million hl in 1990/91, but developed countries' markets are shrinking.

The EC retains the top export share in the world although total exports have declined. Food and Agricultural Organization of the United Nations (FAO) data, summed over the period of 1986 to 1990 show that France, Italy, Spain, Germany, and Portugal, respectively, were the top five leading wine exporters (in volume terms) with a 78-percent world share. The United States was ninth. According to Commission data, developing countries (former Soviet block plus the largest developing countries' markets) provided increasingly better export opportunities (in volume terms) for the EC during 1988 to 1991 (figure 14.3).

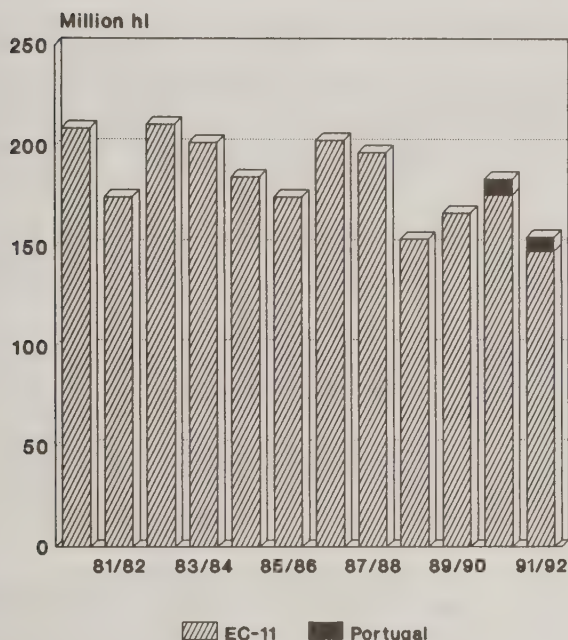
### Internal Support

The nearly 24 million hl of table wine withdrawn in 1991/92 under distillation programs, were mainly due to a table wine carryover equivalent to 4 months' consumption. At the beginning of the marketing year, producers may sell surplus wine to distillers under preventive distillation.

In 1990, the EC spent 745 million ECU (\$1.02 billion) on support for the wine sector. Data are not available for the breakdown of actual support in 1991 and 1992 (table 14.2). However, the Community has appropriated ample funds for

Figure 14.1

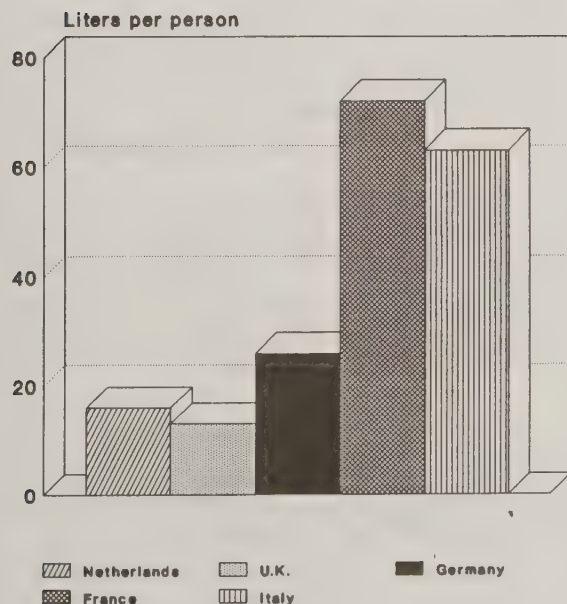
### EC Wine Production



Source: EC Commission.

Figure 14.2

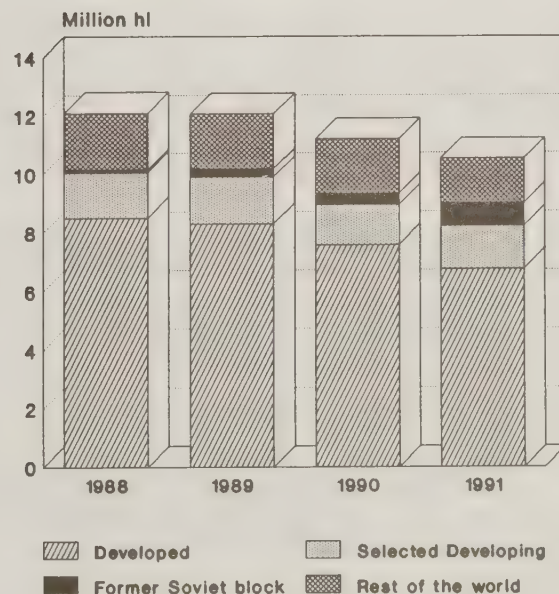
### EC Wine Consumption 1989/90



Source: EC Commission.

Figure 14.3

### EC Wine Exports to Selected Regions



Source: EC Commission.



storage and distillation programs. Spending may have been down in 1991 in part because record low table wine production may have resulted in less table wine bought into distillation.

Appropriations for grubbing premiums increased substantially from 113 million ECU (\$155 million) in 1990 to 445 million (\$611 million) in 1991. The Commission estimates that 160,000 hectares were taken out of production under this program, which started in 1988. The program attempts to reduce surpluses and to improve wine quality. However, the grubbing up of vineyards contributed only slightly, if at all, to the record low table wine output in 1991/92. The hectares of vineyards grubbed are small relative to the total area under vines except in Greece, which is not a major wine producer (table 14.3).

### Shape of Wine Reform Uncertain

The reform of 1993/94 may concentrate on structural improvements, wine stocks, or may re-visit the issue of price guarantees, similar to those provided under the EC wheat and beef support programs. However, the last time price supports were

considered in 1982, wine growers failed to prevail upon the EC to provide the same guarantees as wheat farmers, for example, received. Whatever reform the EC undertakes, the Commission acknowledges that it will have to address the Community's persistent wine surplus.

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Table 14.2: EAGGF support for wine

Appropriations					
Year	Total	Export	-----Intervention-----		
		Refunds	Storage	Distilling	Other
-----Million ECU-----					
1990	1,389	62	438	596	293
1991	1,581	59	359	548	615
1992	1,775	58	468	510	739
Actual spending					
Year	Total	Export	-----Intervention-----		
		Refunds	Storage	Distilling	Other
-----Million ECU-----					
1990	745	55	207	336	148
1991	1,048	NA	NA	NA	NA
1992	1,146	NA	NA	NA	NA

Source: EC Commission.

Table 14.3: Grubbing-up of vineyards

		Spain	France	Greece	Italy
1989/90	Hectares	12,000	12,000	8,000	14,500
	Share 1/	0.9%	1.3%	9.7%	1.6%
1990/91	Hectares	20,000	10,000	8,000	22,000
	Share 1/	1.4%	1.0%	10.5%	1.5%

1/ Area grubbed-up as percentage of area planted to wine production.

Source: EC Commission.

# Tobacco

*EC tobacco production in 1991 again exceeded the Maximum Guaranteed Quantities for the sector, with one variety exceeding its MGQ by 1,000 percent. Consumption of tobacco products is being reduced by higher taxes, particularly in the northern member states. CAP Reform will reorient support to tobacco producers, and attempt to contain overproduction more than the current stabilizer mechanism.*

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Tobacco production in the EC-12 increased an estimated 5 percent in 1991, despite reductions in the producer premium triggered by the stabilizer. For those varieties that exceeded their Maximum Guaranteed Quantity (MGQ) in 1990, prices and premia were reduced 6 percent, and for those that exceeded the MGQ and tend to be sold into intervention, the reduction was 13 percent. The global MGQ, which has been increased to 390,000 tons to include eastern Germany, is expected to be exceeded again in both 1991 and 1992.

Tobacco production is concentrated in the southern member states, particularly Italy, Greece, and Spain. In 1991, Greek production grew 27 percent, the largest increase, and Spanish production rose 6 percent from 1990. By contrast, Italian production fell 7 percent. Adverse weather contributed to decreased production in Germany and Belgium, where output fell more than 70 percent.

## Consumption Patterns Changing

The EC tobacco regime attempts to encourage the production of tobacco varieties with greater commercial appeal. While the EC is a major exporter of low quality leaf, it imports nearly 70 percent of its tobacco needs. These imports are of higher quality product, which meet the changing domestic demand for lighter, American-blended cigarettes.

EC consumption of tobacco products is declining generally, but there are notable exceptions to this trend. Cigarette consumption in France increased by 1 percent in 1991, and Spanish consumption registered a 3-percent increase. Consumption also grew slightly in Greece. Production of tobacco products rose, but most of the increase was destined for export. The markets of Eastern Europe and the former U.S.S.R. have grown in importance for EC manufacturers.

Consumption has been shifting away from traditional dark tobacco products in all EC markets. In northern EC member states, the market share of low tar brands is on the rise. This trend will continue, particularly given an EC Directive that requires all cigarettes to have maximum tar contents of 15 milligrams by the end of 1992, and 12 milligrams by the end of 1997.

Restrictions on advertising, labeling, and smoking of tobacco products are being enacted in all member states, with varying degrees of severity. These measures are reducing consumption in northern member states, but tax increases on tobacco products are more effective in reducing consumption. For example, price increases in Germany in late 1991 and early 1992 reduced cigarette sales 8 percent.

## CAP Reform Reorients Support

For the 1992/93 marketing year, the Council left the prices and premia in the tobacco sector unchanged, as a transition to CAP Reform. The Commission's goal in CAP Reform was to reduce the cost of the tobacco sector, and to control production of the less marketable varieties more effectively than under the current stabilizer.

The Commission's CAP Reform proposals included a regrouping of varieties, national production quotas, and measures to convert production to more marketable varieties. The current MGQ of 390,000 tons would be reduced to 340,000 tons, allocated among seven producing member states. A special program to encourage Greek producers of the Mavra and Tsebelia varieties to switch to more popular types of leaf would be established.

Under the Council's compromise, the global MGQ will be reduced to 370,000 tons in 1993, and to 350,000 tons during 1994 - 1997. The MGQs will be allocated to processors, or to producers in those member states with sufficient data to allow them to assign producer quotas. Quotas will be assigned for eight types of tobacco: flue-cured, light air-cured, dark air-cured, fire-cured, sun-cured, Basmas, Katerini, and K. Koulak (table 15.1). Quotas for each type are set for Italy, Greece, Spain, Portugal, France, Germany, and Belgium. The latter three types are found only in Greece. Belgium, Germany, Spain, and Portugal will not have their quotas reduced during the transition period, but the other countries will.

In addition to the conversion program for Greek producers, a conversion program for Italian producers of Badischer Geudertheimer and Forchheimer Havanna was included in the Reform compromise. Each producing member state will set up an agency to administer the program and ensure compliance. A tobacco management committee will be set up.

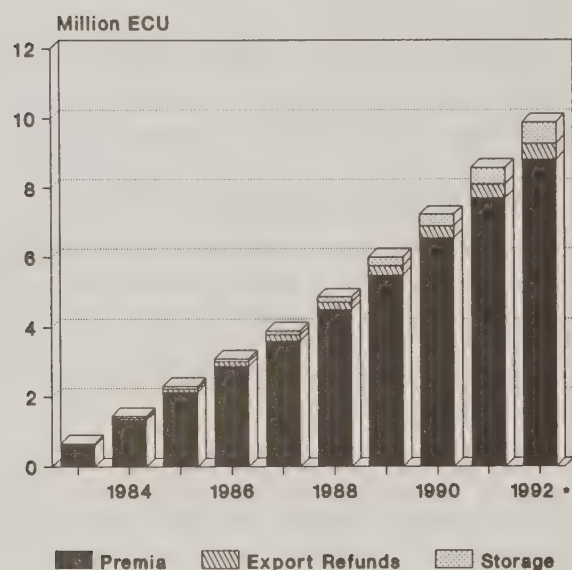
Under CAP Reform, both intervention and export refunds are abolished. While these components of total expenditure on tobacco are small compared with producer premia, they have increased steadily (figure 15.1). EC tobacco exports consist chiefly of less marketable varieties, and account for more than half of total output. The elimination of external outlets for these varieties should encourage producers to reduce production.

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Figure 15.1

## EC Tobacco Expenditure by Type



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Table 15.1: Tobacco quotas, 1996

Country	Flue-cured	Light air-cured	Dark air-cured	Fire-cured	Sun-cured	Greek varieties			Total
						Basmas	Katerini	K. Koulak	
Italy	47,600	45,000	17,200	9,000	14,000				132,800
Greece	29,000	12,300			16,400	26,500	22,500	20,000	126,700
Spain	28,300	4,970	9,000	30					42,300
Portugal	5,500	1,200							6,700
France	8,700	7,900	11,000						27,600
Germany	2,500	6,000	3,500						12,000
Belgium			1,900						1,900
Totals	121,600	77,370	42,600	9,030	30,400	26,500	22,500	20,000	350,000

Source: EC Commission.

## CAP Reform

*The EC adopted a major reform package in May 1992. The package, which will begin to go into effect in 1993/94, includes changes to the support regimes for grains, beef, sheepmeat, and tobacco. New policy tools will reduce support prices, provide direct support payments, and limit production. The Reform will lower EC prices for cereals and beef, and includes new supply control measures for arable crops, tobacco, beef, and sheepmeat.*

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### **Reform Package Agreed After Long Debate**

Reform of the Common Agricultural Policy (CAP) has been debated since the Mansholt Plan of 1968. Then as now, the motivating forces behind CAP Reform were the difficulty in controlling spending and surplus production, and the limited effectiveness of the policy in supporting the incomes of all farmers.

Previous reforms of the CAP largely modified existing policy mechanisms. The recently adopted CAP Reform program, however, has introduced significant changes in the policy tools used to provide support to farmers.

Proposals for a radical reform of the CAP were first discussed in February 1991, when an internal Commission paper, entitled *Reflections on the CAP*, became public. The actual proposals, which were submitted to the Commission by Agriculture Commissioner Ray MacSharry in June 1991, were modified somewhat because of objections to the *Reflections* paper. On July 9, 1991, the EC Commission adopted the MacSharry Plan, and sent it to the EC Council of Ministers for approval.

After almost a year of intense debate, EC agriculture ministers adopted a compromise CAP Reform package on May 21, 1992. The reforms, which begin with the 1993/94 marketing years, reflect most of the elements of Commissioner MacSharry's plan, although many important changes have been made.

The CAP Reform compromise contains changes in the grains, protein crops, beef, tobacco, sheepmeat, and dairy sectors. The price reductions and compensation payments will be introduced over a 3-year transition period. CAP Reform integrates the new oilseed regime into the arable crops sector in the first year of the transition period. The oilseeds reform was introduced in one step starting with the 1992/93 marketing year.

### **Direct Payments Compensate Farmers For Lower Support Prices**

The chief characteristics of the CAP Reform compromise are the reduction of support prices, the creation of corresponding direct compensation payments, and the introduction of new

supply control measures. Support prices will be reduced for the grains, oilseeds, protein crops, beef, and dairy sectors. That part of the support previously provided to farmers through high intervention prices will be replaced with direct compensation payments. In the pork, poultry, and egg sectors, which do not benefit from intervention systems, prices are expected to fall in response to lower feed costs.

### **Arable crops**

The Council adopted a reduction in the average price EC intervention agencies pay for all cereals (except rice) which represents a cut of 33 percent from 1992/93. By the last year of the 3-year transition period, the intervention price for all grains will be 100 ECU (\$159) per ton, and the target price 110 ECU per ton. The cereals price cut finally agreed upon is 10 ECU less than originally proposed by MacSharry. The EC import protection for grains agreed under the CAP Reform package is greater than that proposed by MacSharry. The difference between the threshold and target prices is set at 45 ECU (\$62) per ton. Therefore, the threshold price in 1995/96 will be 155 ECU (\$213) per ton, compared with 110 ECU/ton under the MacSharry plan.

Producers will be compensated for the cereals price reduction by means of direct payments. These payments will be 45 ECU/ton by the end of the transition period and will be made to farmers as a per-hectare payment, based on individual area and the average historical yields in the region. Eligibility for payments is tied to production of the crop. Durum wheat producers in traditional durum wheat areas will receive an additional payment, to compensate them for a much larger price cut. The compensation payment for protein crops (such as feed peas and beans) will be 65 ECU per ton throughout the transition period. Under the MacSharry plan, cereals and protein crops received the same compensation payment. The oilseeds payment will be higher (see "Commodity Market Highlights and Policy Developments: Oilseeds" on page 31).

### **Set-Aside Designed To Curb Overproduction**

The CAP Reform package includes supply control measures to limit production and EC budget outlays. A set-aside requirement is established for producers who wish to receive compensation payments under the general scheme. Producers may decide not to participate in the general scheme, but then



will not be eligible for compensation payments. The set-aside requirement is initially set at 15 percent of the area sown to grains, oilseeds, and protein crops. This percentage could be altered depending on production and market developments.

A simplified scheme is also established for small producers. Those producers with an area planted to grains, oilseeds, or protein crops sufficient to produce no more than 92 tons of grains at average regional yields will be classified as small producers and exempted from the set-aside requirement. Under the simplified scheme, producers will receive the grains payment for all of their area, regardless of the crops produced. Smaller farmers who wish to qualify for the higher oilseeds or protein crops payments may participate in the general scheme, but then are subject to the set-aside requirement.

Under the MacSharry plan, support for farmers was to be modulated, or slanted toward smaller farmers. MacSharry proposed that all farmers would receive a set-aside payment for the first 7.5 hectares of land set aside. Farmers setting aside more than 7.5 hectares (at EC average yields) would not receive payments on that area. This particularly controversial element of the MacSharry Plan was eliminated in the compromise package.

The Council has allowed the possibility of a nonrotational set-aside, which was not included in the MacSharry proposals. This would allow farmers to remove their least productive land from production, rather than rotating the set-aside through their entire area. The Commission will set the non-rotational set-aside percentage higher than the 15 percent rotational requirement, but has not yet made the final decision.

Producers will also be allowed to grow crops for nonfood, nonfeed uses on the land they set aside. The crops they may grow for industrial uses include grains and oilseeds other than for sowing; potatoes; peas; flax; plants used for perfumery, pharmacy or other industrial purposes; and short rotation forest trees. The Commission has proposed tight conditions to prevent crops grown for industrial purposes from being used for human or animal food.

Under the MacSharry Plan, producers were to establish individual base areas, equal to the area they had planted to grains, oilseeds or protein crops in 1 of 3 years—1989, 1990, or 1991. The Council felt that the member states did not have sufficient data to administer the system of individual base areas that the Commission proposed. Therefore, the member states may decide to establish regional base areas, which will be the average area planted to grains, protein crops, and oilseeds in 1989, 1990 and 1991 in a given region. The yield regions are to be set by the member states using the average yields of 1987-1991, after the highest and lowest years have been dropped. A base area region may contain several yield regions, but yield regions may not cross the boundaries of the base area regions.

Control measures were adopted to prevent inflation of the base area in the case of regional base areas. If the sum of the areas for which individual producers apply for compensation payments exceeds the regional base area, then the producers in that region will be subject to two penalties. In the same marketing year as the inflation occurs, each farmer's eligible arable crops acreage will be reduced by the same proportion as the base area was exceeded. In the following marketing year, producers participating in the general scheme will be required to make an additional set-aside, equal to the percentage by which the base area was exceeded, without compensation.

## **Livestock**

In the livestock sector, CAP Reform entails a 15-percent reduction in the beef intervention price, a 5-percent reduction in the butter intervention price, and increased premia in the beef and sheep sectors. Direct payments are increased, although producers will have to respect set stocking rate limitations in order to qualify for premia.

### ***Increased Premia Offset Price Reduction***

Beef farmers will receive compensation for the lower intervention price both through a reduction in grain prices, or, for extensive grass-based production systems, through increased direct payments. Member states will have to establish regional reference herds for male bovines. The number of premia to be paid out will be limited to the number of animals eligible in 1990, 1991, or 1992. Unlike the male bovine premium, the suckler cow premium is limited by individual producer ceilings, again using either 1990, 1991, or 1992 as the reference year.

The Council increased beef premia relative to the MacSharry plan. The premium for male bovines is now set at 90 ECU (\$143) per head, payable twice in the lifetime of the animal, at 10 months and at 22 months. The current payment of 40 ECU (\$64) per head is payable only once in the lifetime of the animal. The Commission had proposed a payment of 60 ECU per head. Currently, the male bovine premium is limited to the first 90 animals of a herd, and this restriction is maintained under the Reform.

The suckler cow premium has been increased to 120 ECU (\$191) per head, from 50 ECU (\$79) per head in the current marketing year and from 75 ECU (\$119) under the MacSharry plan. The limitation of the payment to the first 90 animals per farm of the MacSharry proposals has been eliminated.

The Council also changed the price trigger for safety-net intervention of beef. Safety-net intervention will now be triggered when the market price in one member state or region of a member state falls below 60 percent of the intervention price. The current single country safety-net trigger is 72 percent of the intervention price.



The limits on normal intervention buying for beef have been expanded by the Council. In 1993, the ceiling for normal intervention will increase from the current 235,000 tons to 750,000 tons. The ceiling will be reduced progressively to 350,000 tons by 1997, and meat from young bulls graded in the O category will be excluded from 1993.

A payment of 60 ECU (\$95) per head will be made for those producers who delay slaughter of male bovines from the heavy September-November period until January-April. The payment is available in those member states, primarily Ireland and France, where 40 percent of the total annual slaughter of male bovines occurs from September to November.

The Commission had proposed a premium for the slaughter and processing for export of young (8 to 10 days old) male offspring of dairy herds. The Council will permit the member states to decide whether they will implement this premium, or allow intervention buying of light (150-200 kg) carcasses from 1993/94 to 1995/96. A number of member states have already decided against the dairy calf slaughter premium.

### ***Little Reform in Dairy Sector***

The strong reform in the dairy sector proposed in the MacSharry Plan was nearly eliminated in the compromise CAP Reform package. Under the MacSharry Plan, the effective milk intervention price was to be reduced 10 percent, through cuts in the skim milk powder and butter prices of 5 and 15 percent, respectively. The dairy quota was to be reduced 3 percent net. Dairy farmers would likewise benefit from lower grain costs, and from the introduction of a dairy cow premium. Compensation payments would be made for the reduction in the dairy quota.

In the CAP Reform compromise, the Council of Ministers eliminated the reduction in the milk quota. The butter intervention price will be reduced 2.5 percent in both 1993/94 and 1994/95. The skim milk powder price was left unchanged. The effective milk intervention price will therefore be reduced less than 3 percent. Because only minimal reforms were introduced in the dairy sector, the dairy cow premium has been eliminated. The Commission has stated that it will review the situation of dairy markets on a yearly basis, and make quota reductions as necessary.

### ***Sheep Farmers Face Payment Ceilings***

The CAP Reform package establishes individual producer ceilings for ewe premia. Producers who received ewe premia in 1991 and who applied for them in 1992 are eligible to receive them in 1993. Beginning in 1993, the number of premia per producer is limited to the number received in 1991, which may be multiplied by a coefficient that reflects changes in herd size since 1989. If an individual producer's herd has

## **Set-Aside Provisions**

Detailed rules governing the rotational set-aside required under the general scheme were adopted as part of the CAP Reform implementing legislation. These rules will determine what part of their holdings producers can set aside, and how they must manage land removed from production. The procedures for monitoring the set-aside, as well as the penalties for non-compliance, are to be adopted at a later date.

The details of the nonrotational set-aside program will be developed on the basis of a scientific study to determine what percentage set-aside rate would produce the same effect as a 15-percent rotational set-aside. As part of the final debate on the CAP Reform package, a 30-percent nonrotational set-aside had been suggested. This was rejected as being too high.

Land to be set aside now must have been cultivated with the intention of harvesting in 1992. Thus, temporary grassland cannot be used to satisfy the set-aside requirement, although such land could be planted to arable crops and qualify for payments. Land which the producer set aside under either the 5-year or 1-year set-aside programs will, however, be eligible for set-aside under the new regime.

In order to qualify for set-aside payments on a given parcel of land, the producer must have farmed it for the previous 2 years. There are several exceptions to this requirement, but farmers will be prevented from setting aside newly rented or purchased land. The provisions of the 5-year set-aside program that permit the use of set-aside land for grazing for extensive livestock farming and growing lentils, chick-peas, and vetches will continue to apply.

Producers will have to set aside blocks of land of at least 0.3 hectares, and of a minimum width of 20 meters. Once a block of land has been set aside under the new rules, it cannot qualify as set-aside for another 5 years. Farmers will have to keep set-aside land out of production for at least 7 months, starting no earlier than December 15, and ending no later than August 15. In addition, they must maintain in good agricultural condition the land they remove from production. The member states will establish the measures necessary for environmental protection, which may include a green cover.



contracted since 1989, he or she is eligible for more premia than were received in 1991. On the other hand, herds that have been expanding are limited to the number of premia in 1991. The member states will decide a single coefficient for all producers, which could produce inequitable results among producers.

The ewe premium is also limited by an absolute ceiling on the number of premia a single producer may receive. The Commission had wanted to reduce this ceiling from the current 1,000 ewes in less-favored areas and 500 ewes elsewhere, and to eliminate the payment of half the premium for animals above the ceiling. The Council, however, decided to keep these payment limits at their current levels.

In its proposals for the ewe premium (for which individual producer rights to payments are created), the Commission had wanted to maintain an "indissoluble" link between the premium right and the land. This was chiefly to prevent sheep farming from moving extensively out of the less-favored regions. Thus, a producer would have to transfer his land in order to transfer the premium rights. The Council's decisions will allow producers to transfer their individual premium rights (for suckler cows and for ewes) without transferring their land. However, they will forfeit a part, not more than 15 percent of the rights, to a national reserve without payment. This reserve, along with separate reserves for LFAs, will be used to help new entrants and disadvantaged farmers.

### Comparing the CAP Reform Compromise with the MacSharry Plan

#### Compromise

##### ARABLE

- Cereals intervention price cut to 100 ECU/ton
- Margin of Community preference for cereals set at 45 ECU/ton
- Compensation payment for cereals set at 45 ECU/ton
- Compensation payment for protein crops set at 65 ECU/ton
- Full compensation for all area set-aside
- Possibility of nonrotational set-aside

##### LIVESTOCK

- No dairy quota reduction
- A 5-percent cut in butter intervention price. No reduction for skim milk powder
- Male bovine premium set at 90 ECU/head
- Suckler cow premium set at 120 ECU/head
- No limit on suckler cow payments per producer
- Limits on ewe payments per producer maintained at 1,000 head in less-favored areas and 500 head elsewhere. 50 percent of premium payable beyond these limits
- Stocking rate limit set at 2 LU/hectare for all areas, and phased in over 3 years

#### MacSharry Plan

##### ARABLE

- Cereals intervention price cut to 90 ECU/ton
- Margin of Community preference for cereals set at 10 ECU/ton
- Compensation payment for cereals set at 50 ECU/ton
- Compensation payment for protein crops set at 50 ECU/ton
- Partial set-aside compensation for the largest farms
- Rotational set-aside only

##### LIVESTOCK

- A 3-percent net dairy quota reduction
- A 15-percent cut in the butter intervention price and a 5-percent cut in the skim milk powder price
- Male bovine premium set at 60/ECU head
- Suckler cow premium set at 75 ECU/head
- Limit of 90 suckler cow payments per producer
- Limits on ewe payments per producer reduced to 750 head in less-favored areas and 350 head elsewhere. No premium payable beyond these limits
- Stocking rate limit set at 1.4 LU/hectare in less-favored areas, and 2 LU/hectare elsewhere from 1993

### Stocking Rates Limit Livestock Premia

Producers will have to respect established stocking rate limitations in order to qualify for premia. In addition to limiting budget costs, stocking rates are intended to help reduce some the environmental damage caused by highly intensive rearing of bovines and sheep.

The stocking rate limitations will be phased in over the transition period, beginning at 3.5 livestock units (LU) per hectare of forage area in 1993 and being reduced to 2.0 LU per hectare by 1996. (The premia are paid on a calendar year basis.) An additional payment of 30 ECU (\$48) per head will be paid to producers who maintain stocking rates below 1.4 LU. The animals counted in the stocking rate are suckler cows and

### Transition to the New Regime

Policy Mechanism	1991/92	1993/94	1994/95	1995/96
Cereals price (intervention)	155 ECU/t	117 ECU/t	108 ECU/t	100 ECU/t
Cereals price (threshold)	246 ECU/t	175 ECU/t	165 ECU/t	155 ECU/t
Cereals payment 1/	NA	25 ECU/t	35 ECU/t	45 ECU/t
Oilseeds payment 2/	162.5 ECU/t	152 ECU/t	152 ECU/t	152 ECU/t
Protein crops payment 3/	NA	65 ECU/T	65 ECU/t	65 ECU/t
Set-aside payment 4/	Varies by member state	207 ECU/ha	207 ECU/ha	207 ECU/ha
Butter intervention price	2,928 ECU/t	2,855 ECU/t	2,781 ECU/t	2,781 ECU/t
Beef intervention price	3,430 ECU/t	3,258.5 ECU/t	3,087 ECU/t	2,915.5 ECU/t
Male bovine premium 5/	40 ECU/head	60 ECU/head	75 ECU/head	90 ECU/head
Suckler cow premium	60 ECU/head	70 ECU/head	95 ECU/head	120 ECU/head
Stocking rate 6/	NA	3.5 LU/ha	3.0 LU/ha	2.5 LU/ha

1/ The cereals compensation payment is paid for all cereals(except rice), including cereals grown for silage. It is paid as a per-hectare payment, based on the average cereals yield for the region.

2/ The oilseeds compensation payment is paid for rapeseed, sunflower, and soybeans. It is paid as a per hectare payment, based on either the average cereals yield or the average oilseeds yield for the region. The payment will vary inversely with the world price.

3/ The protein crops payment is paid for peas, beans and sweet lupins. It is paid as a per-hectare payment based on the average cereals yield for the region.

4/ The set-aside payment is paid on all area set aside. It is paid as a per-hectare payment, based on the average cereals yield for the region.

5/ Currently the payment is made once in the lifetime of the animal. Under the Reform, the payment will be paid twice. The payment is made up to a limit of 90 head per holding.

6/ LU = livestock units. The stocking rate will decrease to 2.0 LU/ha in 1996.



## How Will Farmers Respond to CAP Reform?

All EC member states have elected to establish regional, rather than individual base areas. Some member states simply lack the data on individual farms to make individual base areas work at this time, and others feel regional base areas give individual farmers greater flexibility in their production decisions.

EC farmers are already beginning to adjust their operations to the CAP Reform provisions. In the arable crops sector, those farmers participating in the general scheme must set aside part of their area this fall. They must also decide which crops to plant on their remaining area. The relationship among the grains, oilseeds, and protein crops has been altered by CAP Reform. This year is the last year of the old regime for cereals, but the second year of the new oilseeds regime. As the 3-year transition progresses, the relationship will change again.

As farmers decide which crops to plant, they must take this changed relationship into consideration. Crops with lower gross margins, like barley, will seem much less attractive under CAP Reform. Lower prices for their products will cause farmers to reconsider their input use as well.

The set-aside requirement is the least popular aspect of CAP Reform, but few farmers would forego the compensation payments in order to avoid the set-aside. Some farmers, who are on the borderline of the professional

category, may elect not to participate as professional producers in the first year when the income compensation payment is smallest. By the last year of the transition period, almost every farmer in the professional size category is expected to participate in the professional producer scheme.

Many farmers hope to grow industrial crops on their set-aside area, but it will be difficult for them to do so this year, because the regulations have not yet been adopted. Although this option could be attractive to farmers, its viability will depend on the development of processing capacity for the industrial crops.

In the livestock sector, the use of either 1990, 1991, or 1992 as the reference year for the suckler cow premium has caused farmers to hold on to their animals in order to qualify for as many premia as possible. Sheep producers are also maintaining their herd sizes, although 1992 will not be used as the reference year.

The stocking rate limitations probably won't require farmers to reduce their herds, or to increase their forage area. This is because only those animals eligible for premia (suckler cows, male bovines, sheep) and dairy cattle are counted in the stocking rate. Farmers could fatten more female bovines, which don't receive a premium, and this would not increase their stocking density.

male bovines eligible for premia, ewes eligible for premia and the number of dairy cows needed to produce the quantity of milk the producer is allowed under the quota.

Under the MacSharry plan, an entire herd would have been ineligible for premia if the stocking rate was exceeded. The CAP Reform package adopted will allow farmers to receive payments even if the livestock density on the farm exceeds the stocking rate limit. Payments will be made on up to two livestock units for every hectare of forage area on the farm. For those farms with 15 or fewer livestock units in total, the stocking rate limitation is waived. The maximum had been set at 6 livestock units under the MacSharry plan.

### ***Environmental and Structural Programs***

The Council also adopted accompanying measures designed to encourage less intensive production measures, to enhance the environment, and to improve the structure of EC agriculture. These measures were largely approved in the form proposed in the MacSharry plan. Because these accompany-

ing measures are co-financed by the member states and the Commission, their effectiveness will depend on the budgetary resources of the individual member states.

Premia will be paid to farmers willing to reduce their input use or to reduce the size of their grazing herds. A 20-year set-aside, to protect the environment, was approved, as was a program for afforestation of agricultural land. An early retirement scheme aims at adjustment to larger farm sizes within the EC. The Commission had wanted the early retirement scheme for farmers to be mandatory in all member states. The Council, however, will allow the member states to decide for themselves whether to put the scheme in place.

The Council has provided special measures to apply to east Germany. Instead of relying on the average yields in the new Länder during the reference period for the calculation of the compensation and set-aside payments, the yields used in the old Länder will apply. Special regional ceilings for suckler cows (180,000 head) and male bovines (780,000 head) have

been established. The Commission will also adopt special provisions for the ewe premium in east Germany.

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# U.S., EC Reach Agreement in Oilseed Trade Dispute, New Regime Takes Effect

*In December 1991, the EC Agricultural Council gave final approval to the proposed reform of its oilseed regime. The reform took effect for oilseed crops harvested in 1992. A GATT panel found the new policy to be in violation of EC GATT obligations. After the United States threatened to impose retaliatory tariffs on U.S. imports from the EC, the two parties reached a settlement on the dispute.*

Since 1987, the EC's subsidies on oilseeds have been the subject of a trade dispute between the United States and the EC. The United States brought its case against the EC's oilseed policy to the GATT, and won its case. The GATT panel found that the EC's policy discriminated against imported oilseeds, and impaired the zero-tariff concession on oilseeds granted by the EC in the Dillon Round of multilateral trade negotiations in the early 1960s.

The EC agreed to change its policy within the framework of a Uruguay Round trade agreement. After trade talks broke down in December 1990, the United States took steps to resolve the dispute with the Community. In July 1991 the EC Commission announced its proposal for oilseed policy reform. The program was approved by the EC's Council of Agricultural Ministers in December, 1991, and covers oilseed crops harvested in 1992.

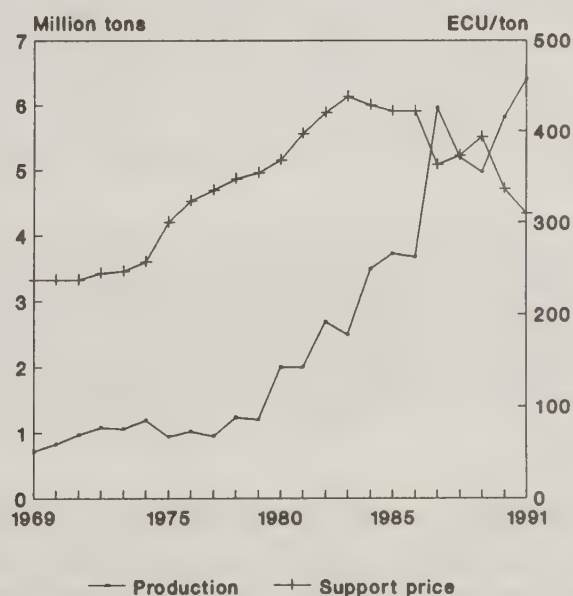
## Support Prices Spurred Production

The dispute centered on EC subsidies that, by stimulating domestic oilseed production, reduced the EC's need for imported soybeans, and hurt U.S. soybean exports. The EC's support prices of the three principal oilseeds (rapeseed, sunflowerseed, soybeans) rose sharply in the late seventies and early eighties, reaching 2-1/2 times the world market price. In response, EC oilseed production nearly quadrupled over the 1980s. Production of rapeseed, the most important oilseed grown in the EC, rose from 710 thousand tons in 1969 to 6.4 million tons in 1991 (figure 17.1). Support price increases and rising production were similarly dramatic for sunflowerseed and soybeans. Weakening prices of alternative crops (primarily grains) and improved oilseed varieties also contributed to the rapid growth in oilseed output.

U.S. exports of soybeans and soybean products to the EC plummeted over the same period, with soybean sales declining from 9.8 million tons in 1980 to 6.4 million in 1990, and sales of soybean meal falling from 3.6 million tons to 253,000 tons (figures 17.2 and 17.3). U.S. exports of soybeans and soybean meal were also hurt by the expansion of soybean production in Brazil and Argentina, whose soybean and soybean product exports competed with U.S. exports.

Figure 17.1

## EC Rapeseed Price and Production

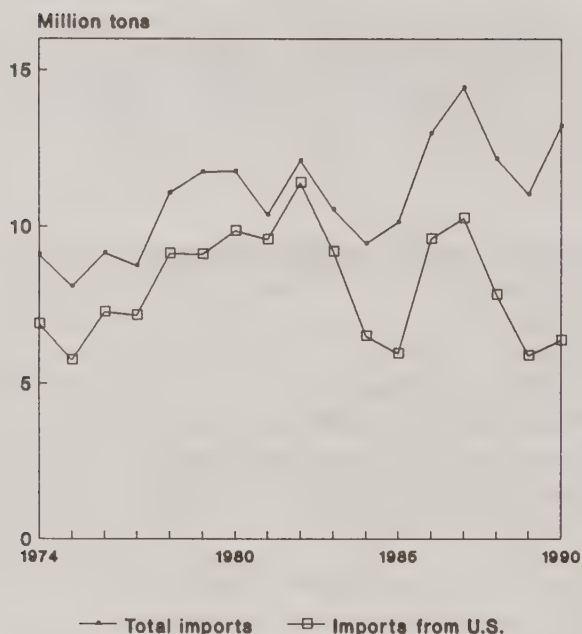


Source: CAP Monitor; Eurostat.



Figure 17.2

## EC Soybean Imports



Source: Eurostat.

EC oilseed production slowed in the late 1980s and early 1990s with the advent of “stabilizers”—policies that reduced support when production exceeded established ceilings (Maximum Guaranteed Quantities—MGQs) set for each oilseed.

Until 1992, EC oilseed producers were supported through a system of payments made to processors—so-called “crushing subsidies.” These payments compensated crushers for the high support prices they had to pay EC farmers for domestically-produced oilseeds. The producer support price of rapeseed and sunflowerseed was the intervention price, although intervention seldom occurred. Soybean buyers were required to demonstrate that they had paid EC producers at least the minimum (support) price in order to receive the subsidy. Export subsidies for oilseeds were also available, but seldom used.

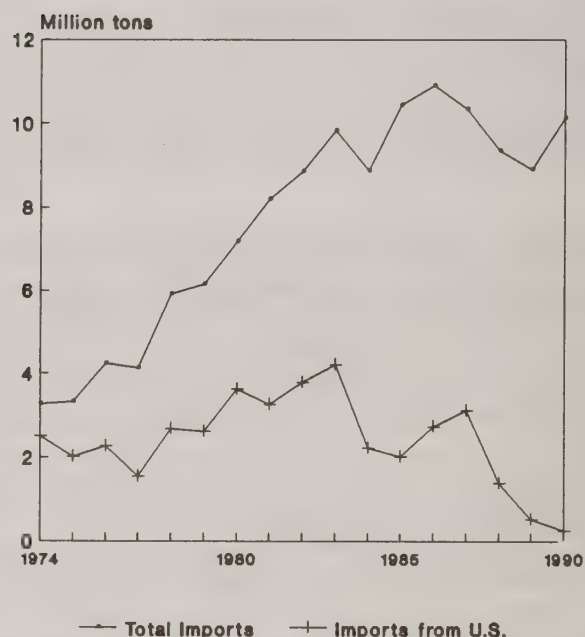
Because the EC consumes more oilseeds than it produces, nearly all domestic oilseeds are purchased and processed by EC processors. The old system also provided incentives for EC processors to purchase domestically-produced oilseeds. EC processors received a subsidy for purchasing EC-produced oilseeds that was not provided for purchases of imported oilseeds.

### Provisions of the 1992 Oilseed Regime

The new oilseed support regime replaces producer price support with a direct payment based on planted acreage. Features of the program include:

Figure 17.3

## EC Soybean Meal Imports



Source: Eurostat.

- In lieu of payments to oilseed processors, producers will be guaranteed a minimum return through a combination of market sales and a per-hectare payment paid directly to the producer. There will be no oilseed support price under the new program.
- The producer payment is adjusted to reflect movements in the world market price. A reference price is established for calculating the per-hectare payment. The reference price is the EC's estimated medium-term world price of oilseeds (a weighted average of rapeseed, soybeans, and sunflowerseed prices) and is set provisionally at 163 ECU per ton (\$259). The payment will be increased (reduced) if the actual world price is below (exceeds) the reference price by more than 8 percent.
- Producers must plant oilseeds in order to receive the payment. When the EC's comprehensive CAP reform is implemented, producers will also be required to set aside arable land to qualify for the payment.
- The payment for the 1992 crop was calculated so as to preserve a 2.1:1 ratio between grain returns and oilseed returns on a per-ton basis (table 17.1). At this ratio, the Commission considers that producers will be indifferent between producing oilseeds and producing grains.

When the CAP Reform provisions for grains are fully implemented in 1995/96, the average per-ton return for grains will be 145 ECU per ton. In 1993/94, the base oilseed payment will fall to 359 ECU per ha.

- The payment shown in table 17.1 is based on average Community yields. The payment will be adjusted to reflect regional differences in grain or oilseed yields, i.e. it will be higher in regions where either grain or oilseed yields are higher than the EC average, and vice versa.
- The acreage payment and the reference price are the same for all oilseeds, although the Commission may make the final payment calculations separately.
- Applications for aid are restricted to land that was cultivated with arable crops or area set aside under publicly funded set-aside programs during the period 1989/90-1990/91.
- To qualify for the payment, a producer must submit a cultivation plan or contract. Eligible producers receive an advance payment of up to 50 percent of the total payment. Final regional payments are established based on the observed world price and paid to producers at a later date.
- Payments in 1992/93 are limited by the amount of the MGA (Maximum Guaranteed Area), which replaces the MGQ and stabilizer. The direct payment will be reduced by 1 percent for each 1-percent overshoot of the MGA.
- Special national base payments are set for Spanish and Portuguese sunflowerseed producers: 292 ECU per ha for Spain and 272 ECU per ha for Portugal in 1992/93. Sunflowerseed support prices in Spain and Portugal were lower than those in the EC-10 at the time of accession, and were gradually being raised to the EC level under the treaty of accession (rapeseed and soybean prices were fully aligned in 1991/92). Sunflowerseed support levels will be the same as in the rest of the EC in 1995.
- A region may use either the average oilseed or grain yield for that region during the five-year period 1986/87-1990/91 (high and low year excluded) in determining their payment, depending on which is more advantageous. Use

Table 17.1: Calculation of oilseeds payment 1/

Average grain price	155.00 ECU/T
Oilseed/grain price ratio (targeted)	* 2.1
Average oilseed price	325.50 ECU/T
Provisional reference price (expected return from market)	-163.00 ECU/T
Difference paid to producers	162.50 ECU/T
Average oilseed yield	* 2.36 T/Ha
Average per-hectare payment	383.50 ECU/Ha

1/ From 1992/93 marketing year on.

of either is allowed so as to prevent large shifts out of grains or oilseeds in regions where relative yields are very different. The average Community yield for grains is set at 4.6 tons per ha and the average yield for oilseeds at 2.36 tons per ha. Table 17.2 provides an example of the regional payment calculation using both the grain and oilseed yield. The region in the example would receive a higher payment using its average grain yield.

In May 1992 the EC adopted a program of comprehensive reform of the CAP. The new program retained many of the features of the 1992 oilseed program and added some new ones (see article on CAP Reform on page 55).

### ***Effect of the 1992 Oilseeds Regime***

The effect of the 1992 regime on oilseed production and trade will depend on how attractive producers view oilseed production relative to alternatives. The effect on oilseed producer returns varies by oilseed type (table 17.3).

Historical oilseed returns vary considerably due in large part to the effect of the stabilizer on the support price. The 1992 return is estimated based on a combination of the average per-hectare payment and returns from sales on the market. The payment shown is the production-weighted average of estimated member country payments, based on the EC base payment of 384 ECU (\$610) per hectare, and the higher of either the country's grain or oilseeds yield relative to the EC average, as shown above. As indicated, the estimated average oilseed payment is considerably higher than the 384 ECU base amount. The base payment is calculated based on the EC average oilseed yield (table 17.1), while regions may use either the oilseed or grain yield to calculate the regional payment (table 17.2).

Because there is no longer a support price for oilseeds, the oilseed program's reference price, the anticipated market price, is used for 1992. If the actual world market price differs from this price by more than 8 percent, the per-hectare payment will be adjusted to compensate. The yields used to compute returns from market sales are USDA's estimated 1992 yields for EC oilseeds.

Despite the fact that the reference price and payment are the same for all oilseeds (except sunflowerseed produced in Spain and Portugal), the average return per hectare will be highest for soybeans and lowest for sunflowerseeds, reflecting their relative yields. However, comparing 1992 returns to previous years shows that soybean producers' returns will suffer the most under the new policy.

The change in rapeseed and sunflowerseed returns varies depending on the historical year chosen for comparison. EC-10 estimated sunflowerseed returns increase relative to 1990 and 1991, when stabilizer price cuts substantially reduced returns. Rapeseed returns also rise from the last 2 years' stabilizer-reduced levels. (The effect of the new measures on



**Table 17.2: Regional payment calculation example**

For a region with an average grain yield of 6 tons/ha and oilseed yield of 3 tons/ha:

Grain yield:  $384 \text{ ECU/ha} * (6 \text{ tons/ha} / 4.6 \text{ tons/ha}) = 501 \text{ ECU/ha}$

Oilseeds yield:  $384 \text{ ECU/ha} * (3 \text{ tons/ha} / 2.36 \text{ tons/ha}) = 488 \text{ ECU/ha}$

**Table 17.3: Comparison of oilseed producer returns, historical and under new program**

		Support price	Yield	Return from sales	Per-hectare payment	Return/ha	Oilseed reform % change
<b>Rapeseed</b>							
1989		370	3	1,095	0	1,095	-23%
1990		313	3	904	0	904	-7%
1991		286	3	872	0	872	-3%
1992	1/	163	3	484	359	843	
<b>Sunflowerseed</b>							
1989		467	2	780	0	780	-19%
1990		379	2	622	0	622	1%
1991		310	2	515	0	515	22%
1992	1/	163	2	270	359	629	
<b>Soybeans</b>							
1989		382	3	1,196	0	1,196	-28%
1990		321	3	992	0	992	-13%
1991		370	3	1,148	0	1,148	-25%
1992	1/	163	3	506	359	865	

1/ 1992 yield estimated as average 1989-1992 yield.

1992 area and production is discussed in "Commodity Market Highlights and Policy Developments—Oilseeds" on page 31.)

### ***U.S., EC Agree to Resolve Dispute***

Instituting the new EC oilseed policy failed to resolve the dispute. The GATT panel was reconvened at the request of the United States, and ruled in March 1992 that the new oilseeds regime continued to impair the trade concession granted to the United States. In requesting that the GATT panel be reopened, the United States claimed that EC oilseed producers remain insulated from the effects of world price changes under the new policy. U.S. soybean exporters would consequently continue to be disadvantaged by the subsidy scheme.

In March 1992, a second GATT panel found that the EC's new policy continues to impair the benefits of the zero-tariff concession, and directed the EC to act quickly to bring its policy into compliance or to renegotiate its tariff concessions.

The EC rejected the ruling and refused to alter its policy, claiming that the new oilseed policy was an integral part of the larger program of CAP reform.

In April, the United States announced it would impose retaliatory tariffs on \$1 billion worth of imports from the Community, equal to the estimated \$1 billion in damages incurred by U.S. soybean producers because of lost export sales. The size of the threatened retaliation was unprecedented, and would have affected a wide range of EC agricultural products. U.S. imports of agricultural products from the EC (excluding distilled spirits) amounted to \$4.4 billion in calendar year 1991.

The EC warned that it would counter-retaliate if the United States imposed trade sanctions against its exports. An attempt to renegotiate tariff bindings failed to produce a settlement, and a U.S. request for binding GATT arbitration was denied by the EC. Intensive bilateral negotiations continued, culminating in a November 2 meeting in Chicago that again failed to produce an agreement. The United States appealed to the

GATT Council for authorization to apply retaliatory measures after several months of bilateral talks failed to resolve the dispute. The EC succeeded in blocking Council approval of higher duties.

The U.S. Trade Representative (USTR) subsequently announced a trade concession withdrawal that would assess retaliatory duties of 200 percent on about \$300 million in EC exports to the United States. Unless the dispute was resolved by December 5, the tariffs would affect U.S. imports of white wine, rapeseed oil, and wheat gluten from the EC. The \$300 million in products scheduled for higher duties were the first "tranche" of the total \$1 billion in imports earmarked for retaliatory action. USTR also extended the list of products eligible for retaliation to include non-agricultural products. A 30-day grace period allowed time for further negotiations.

On November 20, days before the threatened retaliation was due to take effect, an agreement was reached between the United States and the EC that will resolve the oilseeds dispute. The two parties also concluded an agreement on disputed issues that were delaying the conclusion of the Uruguay Round of multilateral trade negotiations.

***The key features of the agreement are:***

- The EC agreed to limit its oilseed area by establishing a separate base area for oilseeds and by agreeing to set aside a minimum 10 percent (15 percent in 1994/95, no less than 10 percent in subsequent years) of the oilseed base. These limits will be bound in the GATT.
- The EC-10 base area for 1994/95 is set at 3.966 million ha, with separate limits for Spain and Portugal of 1.411 and 0.122 million ha, respectively. A single base area for the EC-12 of 5.128 million ha is established for 1995 and beyond.
- The EC agreed to enforce the area limit through a penalty system that will reduce oilseed payments to producers by 1 percent for each 1 percent that planted area exceeds the limit. The payment penalty would be imposed in the same year of the overshoot, but would serve as the level from which further reductions would be made if plantings exceeded the limit in the following marketing year. Payment reductions would accumulate progressively if planted area continued to exceed the limit.
- Additional controls (beyond those in existing EC law) will be placed on planting of industrial oilseeds on set-aside land.
- Producers of confectionery sunflowerseed will not be eligible for oilseed payments. If the by-products resulting from planting oilseeds for industrial use on set-aside land exceed 1 million tons of soybean meal equivalent, the EC must take appropriate corrective action within the framework of CAP reform.

- If the United States believes the agreement has been violated, the EC agrees to undertake binding arbitration.

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## **HISTORY OF US-EC OILSEEDS DISPUTE**

**Dec. 1987** American Soybean Assn. files Section 301 complaint against EC

**Jan. 1988** U.S. Government agrees to investigate charges, brings dispute to GATT

**July 1989** USTR finds that EC policies constitute unfair trade practice that injures US producers under Section 301, delays retaliatory measures

**Dec. 1989** GATT Oilseeds Panel rules that EC oilseeds policy has nullified and impaired benefits of trade concession, and violates GATT rule on national treatment

**Jan. 1990** GATT Council adopts GATT Panel report. EC agrees to modify policy in implementation of Uruguay Round agreement

**Dec. 1990** Uruguay Round negotiations break down at Brussels Ministerial meeting

**July 1991** EC announces oilseed reform proposal

**Dec. 1991** EC Agriculture Council grants final approval to new oilseed policy

**Jan. 1992** U.S. requests that GATT panel be reconvened to consider whether EC's new policy implements panel's findings

**March 1992** GATT panel rules that EC's new policy continues to impair duty-free binding, directs EC to eliminate impairment, either by modifying policy or renegotiating concessions. EC refuses to modify policy

**April 1992** U.S. announces intention to levy \$1 billion in tariffs on EC goods

**Nov. 1992** U.S., EC reach agreement on oilseeds dispute, provisions in Uruguay Round negotiations on agricultural trade



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## Europe 1992: Deadline Closing In

*The European Community continues to work toward its deadline on December 31, 1992 for implementing Europe 1992, the European Community's long-awaited single internal market. The Single European Act (SEA) of 1987, which contains the legal framework for the 1992 program, called for an open market allowing any goods, services, labor and capital to move freely throughout all 12 member states of the European Community. This comprehensive trade liberalization would provide economic advantages that include enhanced economies of scale to businesses, greater opportunity for workers and freer trade in agriculture.*

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Lord Cockfield's 1985 white paper entitled *Completing the Internal Market* provided a structural framework needed to attain the 1992 goal. Though the EC had eliminated tariffs and quotas in trade among member nations by the late 1960s, many non-tariff barriers remained. Among these were monetary compensatory amounts (MCAs), variations among national standards and regulations, and quotas for certain non-EC suppliers, such as former colonies. These obstacles, and others like them, led to costly border delays, which effectively blocked trade by diminishing efficiency. Achieving a borderless trading space with its subsequent economic efficiency would require 282 harmonizing directives, according to Commissioner Cockfield's report. Agricultural issues were the target of 87 of these directives.

### ***Working Towards a Single Market without Borders***

Before reaping the benefits of a single market, Europeans first had to remove the technical, physical, and fiscal barriers that restrict trade. To do so as quickly as possible, Brussels revised the legislative process in two ways. First, it switched from "unanimous" to "qualified" majority rule in Council voting on directives aimed at completing the internal market (except on issues of employment and taxation). By imposing a qualified majority vote rather than the previous system of unanimity, the new voting procedure encouraged governments to make concessions and form coalitions in order to obtain their objectives. It also speeded the approval process, a crucial element.

Second, the EC introduced a new cooperation procedure for enacting legislation associated with the Single Market. Under the original "consultation" procedure, the Council of Ministers would approve legislation after the rendering of opinions by the European Parliament and the Economic and Social

Committee (ECOSOC). For directives aiming to harmonize EC standards as part of the 1992 program, the Council of Ministers now agrees first on a "common position" before sending the legislation back to the European Parliament and ECOSOC for a second opinion. This "cooperation" procedure offers greater influence for the European Parliament and ECOSOC. If their original concerns are not addressed in the Council's "common position," these bodies can withhold or delay the second opinion, stalling passage of the legislation.

These two innovations have permitted substantial progress on the 1992 plan. The Community employed a strategy of addressing less contentious areas before moving recently towards the more difficult issues. The benefits are evident. By early in 1992, the Commission had formally proposed all 282 directives for the internal market program and passed them to the Council, which had adopted nearly 85 percent (238) of the directives as of April, 1992. All directives are expected to be approved by the Council of Ministers before the deadline.

### ***The Role of Agriculture in the 1992 Program***

Liberalizing the movement of agricultural commodities between member states was a major goal of the Single Market program. Great progress has been made toward removing the technical, physical, and fiscal barriers hindering agricultural trade, but significant obstacles remain.

In January 1988, the EC introduced the Single Administrative Document, a standard customs form with harmonized terms in all of the EC languages. This has played an important role in reducing border delays, which were estimated to add 15 percent to the costs of transporting agricultural produce and other goods. To further simplify the array of checks and



formalities in intra-Community trade, the Council of Ministers agreed in 1991 to eliminate even this document as of January 1, 1993.

One of the main reasons for border delays was the need to inspect crops and livestock products due to the differing veterinary and phytosanitary policies among the EC member states (see box). Of the 87 directives dealing with agriculture, 68 aim to harmonize veterinary and public health regulations and 19 concentrate on phytosanitary regulations. By mid-1992, all but 16 had been approved by the Council of Ministers and had reached the stage of implementation by member state governments. Some of the 16 remaining agricultural proposals are measures relating to foot-and-mouth disease, Aujeszky's disease and swine vesicular disease, the marketing of rodents, sanitary provisions for heat-treated milk, the marketing of seedlings and fruit plants, and a number of regulations on public health in connection with meat and meat byproducts. Those veterinary or phytosanitary regulations not approved by the Council by July 1992 were to be collected under a "catch-all" directive and adopted before the end of the year.

#### ***Deal Struck on Common Excise and Value-Added Taxes***

Excise and value-added taxes (VAT) are two fiscal barriers that require the physical barriers represented by customs posts. By harmonizing in these areas, the EC aims to eliminate any incentive for traders to carry goods across borders in order to take advantage of differences in taxation rates. Another border barrier that the EC intends to eliminate is the Monetary Compensatory Amounts necessitated by the agrimonetary system of "green" currencies (see "EC Proposes Reform of Agrimonetary System on page 73).

At the end of July 1992, the EC agreed on a two-tier VAT rate with a minimum basic VAT rate of 15 percent and a reduced rate for commodities designated as necessities. This affects agricultural products with a value-added component, such as processed foods. The United Kingdom had held up discussions for a year because British whiskey was originally targeted for the basic level VAT, whereas wine from the Continent was considered a necessity. The compromise involved a lower rate of excise tax for British whiskey. The Council postponed harmonization of VAT rates on agricultural products not intended for human consumption until 1994.

Excise taxes are paid on a variety of products, including gasoline and other fuel products, as well as a range of further-processed agricultural products such as distilled alcoholic beverages, tobacco products, wine, and beer. A number of compromises were reached, based on the varying nature of the products. In agriculture, two methods of harmonization were agreed: minimum excise tax rates based on an average of the existing rates; and permitted rate bands. By granting some flexibility while moving towards the standard targets,

the EC hopes to minimize disruptions to product markets and member state budgets.

#### ***Member States Lagging in Implementation of Single Market Legislation***

The EC still has quite a way to go before it has a market without borders. Once a directive is approved by the 12 member states in the Council of Ministers, each member state must still take the necessary steps to implement the law in its own jurisdiction. Depending upon the constitutional makeup of each country, implementation of an EC directive may require legislation to be passed by the national parliament. Member states have a grace period of 18 months to implement EC legislation before they are delinquent. It is the role of the Commission to oversee compliance with EC law by the member states. The European Court of Justice in Luxembourg is, of course, the ultimate arbiter.

Of the 282 directives in the 1992 program, 166 will require national implementing measures. The rest take effect upon passage by the Council of Ministers. In December 1992, only 79 of these measures had been implemented in all 12 member states. If the Council of Ministers adopts all of the directives by the deadline, then at least two-thirds of the Single Market legislation will be in effect throughout the Community. The rest will depend on how vigorously the member states act to implement the outstanding legislation.

By October 1992, the member states had, on average, approved only 79 percent of those directives requiring national implementing legislation. In early December 1992, the EC Commissioner for the internal market, Martin Bangemann, wrote to Belgium, Italy, Luxembourg, Spain, and the United Kingdom urging them to accelerate passage of Single Market directives. Denmark has approved 95 percent of the directives requiring national implementing legislation, followed by France, Greece, and Germany. The U.K. ranked eighth with only 73 percent implementation.

Free trade within the Community is not intended to apply only to EC goods. In 1988 there were 928 national regulations allowing member states to monitor or restrict the movement of non-EC goods in intra-Community trade. As of July 1992, there remained only 6 such legislative barriers to a single market in non-EC goods.

#### ***Potential Benefits of the Single Market for U.S. Firms***

The EC's harmonization efforts should facilitate the movement of agricultural and food products throughout the Community in the post-1992 period. European companies are not the only businesses planning to take advantage of this opportunity. By 1989 nearly 20 U.S. firms—among them H.J. Heinz, Ralston Purina, Philip Morris, and RJR Nabisco—owned European food manufacturing plants throughout the EC. A plant within one member state of the European Com-



munity will allow these companies to supply food products freely to the other 11 EC countries, as well as the EFTA countries participating in the European Economic Area.

American companies may discover, however, that penetration of the European market from the outside is not as easy as desired. Certain food safety and phytosanitary directives, such as the beef hormone measure, discourage U.S. exports of certain commodities to the EC. Tensions still run high between the two partners, due largely to agricultural trade issues. Moreover, the presence of established European giants such as Nestle, Unilever, and BSN may pose an important obstacle to American success in the European market.

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## 1992 Measures Relating to Agricultural Policy

### Animal Health

- Eradication of Classical Swine fever
- Eradication of African Swine fever in Spain, Portugal and Sardinia
- Eradication of brucellosis, tuberculosis and leukosis in cattle, sheep and goats
- Eradication of pleuropneumonia in Portugal
- Control of foot and mouth disease
- Control of rabies
- Purebred breeds of cattle, sheep and goats
- Standards for porcine species
- Semen of cattle and bulls
- Embryos of farm animals
- Veterinary checks in intra-Community trade
- Mutual assistance between national veterinary services
- Residues of veterinary medicinal products
- Expenditures in the veterinary field

### Other Animal Products

- Production and trade in milk
- Pesticide residues in products of animal origin
- Hygiene and health problems of egg marketing

### Food Law

- Individual products: jams, frozen foods, health foods, fruit juices, coffee extracts
- Additives: antioxidants, colorings, emulsifiers, preservatives and thickeners
- Materials and articles in contact with foods
- Labeling, presentation and advertising of foods
- Sampling and method of analysis

Source: CAP Monitor

### Animal Feedstuffs

- Additives
- Pesticide residues
- Compound feedstuffs
- Medicated feedstuffs

### Meat and Meat Products

- Health and veterinary inspection of third country imports
- Health problems affecting intra-Community trade
- Minced meat and other meat products
- Antibiotic residues
- Medical examination of personnel

### Plant Health

- Prohibition of certain plant protection products
- Pesticide residues in cereals
- Harmful organisms in seeds
- Organisms harmful to plants and plant products
- Certification of seeds

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## Bananas in the EC

*The EC's 1992 Single Market program and the potential for the international trade liberalization from the Uruguay Round of GATT have important implications for the EC's banana market. The Commission has proposed a reform ensuring liberal trade within the EC and continued preferential treatment for its African, Caribbean, and Pacific partners. However, Latin American producers are concerned about market access for their bananas.*

The 12 member states of the European Community currently have different policies regarding the import of bananas and are negotiating both amongst themselves and with their partners in the GATT to find a solution. The United States has a strong economic interest in this issue since many of the companies operating in Central and South America are U.S. transnational companies.

The EC consumed about 3.8 million tons of bananas in 1991, over one third of world imports. Since the climate on the European continent is not suitable for growing bananas, the only EC production occurs on the Greek island of Crete and the EC overseas territories of the Canary Islands, Guadeloupe, Madeira, and Martinique which account for about 14 percent of current EC needs. These bananas travel freely within the EC.

The African, Caribbean, and Pacific (ACP) group of banana producers: Jamaica, Windward Islands, Suriname, Belize, Côte d'Ivoire, Cameroon, Madagascar, and Somalia, enjoy duty-free access to the EC market under the Fourth Lomé Convention, a package of trade concessions negotiated between the EC-12 and 69 developing countries, including many of their former colonies. This group of producers supplies about 16 percent of EC consumption needs.

Latin American countries, which account, on average, for about 71 percent of the 7.5 million metric tons of world exports, supply 60 percent of EC consumption. In 1991, imports from Latin America reached 2.4 million tons, up from 2 million the year before (table 19.1). U.S. companies active in the Latin American market include United Brands and Dole.

Bananas are a major food export for many Latin American and ACP countries. For example, bananas constitutes about 36 percent of Honduras' export earnings. Bananas are important also to Guadeloupe and Dominica's economy with over 60 percent of their export earnings coming from bananas.

The founding Treaty of Rome in 1957 recognized the compartmentalized banana market in the EC through a special protocol allowing Germany to import bananas duty free, but foresaw the eventual elimination of this discrepancy. The three policies currently in effect among the EC member states diverge when it comes to imports from Latin American countries. One group of countries—France, Greece, Portugal, Spain, the United Kingdom, and Italy—those with the strongest historical links to the ACP countries, protect ACP and EC production by imposing a quota and a 20-percent tariff on banana imports from Latin America. The overall effect of this policy is to raise the cost to the consumer of all bananas, thus limiting consumption.

Table 19.1: EC banana suppliers

	1990	1991
	-----Thousand tons-----	
Total EC imports	3,448	3,850
Latin America	2,012	2,380
ACP	622	603
EC territories	452	523
Rest of world	361	343

Source: Eurostat.



Another group of countries—Belgium, Denmark, Ireland, Luxembourg, and the Netherlands—impose a tariff but no quota on all bananas not produced in either the EC or the ACP. This also effectively raises the price of EC and ACP bananas, and discourages consumption as consumers can choose from other types of fruit available within the EC.

Finally, Germany levies no tariff or quota against Latin American imports. In fact, Germany buys most of its bananas from the big Latin American producers since their prices are usually less than the relatively higher cost producers in the EC and the ACP. In a recent World Bank estimate, taking into account factors such as transportation costs, the German retail price

for bananas was lower than that in other parts of the EC (table 19.2).

As a result, banana consumption is higher in Germany than any other EC country. German consumption of over 18 kilograms per capita in 1990 was over twice that in the most protected group of EC markets. Consumers in eastern Germany have become very enthusiastic about bananas since German unification because they were very difficult to obtain in the former East Germany. Banana consumption has been rising throughout the EC and EFTA countries as a result of greater dietary awareness and favorable prices for bananas compared to other fruits (table 19.3).

Table 19.2: EC retail banana prices in 1990

Country	Price
	--U.S. \$ per metric ton--
Germany	1,520
U.K.	2,036
France	2,086
Italy	2,587
Spain	2,315
Other EC	1,643
United States	948

Source: World Bank, 1992.

### ***Bananas Regime Incompatible with EC 1992 Program***

Although bananas are not covered by a commodity regime of the EC's Common Agricultural Policy (CAP), the current national trade provisions hinder development of free trade in bananas. Intra-EC trade in bananas faces border taxes between the various tariff zones among EC member countries. Thus the EC Single Market program seeks to eliminate tariff and non-tariff barriers to banana trade by the end of 1992.

### ***Commission Proposes a Tariff-Rate Quota on Latin American Bananas***

Debate within the Community continued through a number of options before a final Commission proposal was issued. The EC Commission initially proposed replacing the current

Table 19.3--Per capita consumption of bananas

Country	1985	1986	1987	1988	1989	1990
	-----Kilograms per person-----					
EC-12	9.4	9.7	10.1	10.5	11.0	11.3
Belgium-Luxembourg	7.9	9.1	11.9	11.7	15.3	17.1
Denmark	6.3	7.1	7.8	8.8	9.8	9.0
France	7.7	8.2	7.9	8.1	8.1	8.8
Germany, West	9.7	10.8	11.4	12.5	14.0	18.5
Greece	NA	NA	NA	1.3	3.6	4.6
Ireland	9.5	10.9	10.6	8.1	15.0	11.9
Italy	6.3	5.7	6.3	9.7	7.5	7.4
Netherlands	7.8	8.0	8.9	9.8	9.4	9.5
Portugal	0.9	1.2	2.5	4.0	6.3	8.2
Spain	9.3	0.0	9.0	8.7	9.8	8.8
United Kingdom	5.7	6.0	6.3	6.8	7.5	8.2
Other Western Europe						
Austria	11.1	12.1	12.6	14.5	15.9	18.6
Finland	9.8	10.3	11.5	12.0	14.4	14.1
Norway	8.9	10.7	10.4	10.9	12.1	11.4
Sweden	10.4	11.5	13.1	15.0	16.2	16.7
Switzerland	9.4	9.7	10.1	10.5	11.0	11.3
United States	10.7	11.7	11.3	11.0	11.2	11.0

Sources: Eurostat; FAO; and USDA.

system with a 20-percent tariff on a quota of 1.4 to 2 million tons for non-ACP bananas. This proposal would have used the restrictive quota-tariff scheme currently used by some of EC member states, perhaps increasing the overall level of EC border protection.

One of the many proposals suggested for the Commission by outside analysts was to set a 20-percent tariff-rate quota on non-ACP bananas and then setting a higher tariff on additional non-ACP imports. This larger tariff could then be reduced in the context of an agreement in the Uruguay Round. Latin American producers objected to both schemes, estimating their economic loss at \$5.6 billion if a quota/20-percent duty regime were to stay in place for a decade.

The Hill and Knowlton Economics Group examined a tariffication scheme that would eliminate quotas altogether by setting only a tariff on all non-ACP bananas with no tariff on other suppliers. This study maintains that a 20-percent tariff would not change the market share of the suppliers to any great degree and would minimize the negative effect of consumers reacting to higher banana prices in Germany.

Finally, the Commission came to agreement within its own ranks on a proposal, issued August 1, 1992, for a common regime on all bananas and processed products, excluding plantains. The EC would set a "basic" quota of 2 million tons to apply to Latin American and other world suppliers and "non-traditional ACP supplies," in effect, ACP imports above 1990 levels. The EC is offering to bind this quota in the GATT. By December 1 each year, the Commission would also set an additional quota on the basis of consumption trends and Community and ACP production. A tariff of 20 percent would be extended to all imports of Latin American bananas, including those in Germany, while ACP bananas would still enter duty-free.

In order to maintain market share for EC and ACP bananas, the Commission has proposed a "partnership" arrangement whereby a trader must market a specified quantity of Community or ACP bananas in order to receive quota rights. While 70 percent of the total volume in the two quotas would have no marketing constraints, 30 percent would be subject to this "partnership" arrangement. Each year the Commission would calculate a "banana coefficient" specifying the ratio of EC and ACP production a trader would have to market in return for part of this 30-percent quota. The EC would seek to promote small importers through the granting of supplementary quota above their historical sales levels.

Other elements of the proposal include the setting of common quality and marketing standards for all bananas, a one-time premium for cessation of banana production in EC territories, and the establishment of a Management Committee, similar to that for other CAP commodities, to oversee the banana market. The EC would also institute a system of income guarantees through deficiency payments on up to 854,000

tons of EC production (Canary Islands 420,000 tons, Guadeloupe 150,000 tons, Martinique 219,000 tons, Madeira 50,000 tons and Crete 15,000 tons).

The Commission proposal must be ratified by the Council of Ministers after opinions have been submitted by the European Parliament and the Economic and Social Committee. Several member states have expressed opposition to this scheme, and may seek to revise the proposals. The U.K., in its role as President of the Council, in December 1992 proposed the use of only tariffs instead of quotas, a plan opposed by other countries now operating a quota system.

### ***EC Proposals Would Run Afoul of GATT***

Any increase in current protection levels for bananas could run against the commitment of negotiating countries not to increase protection during the current GATT negotiations. The Commission proposal, for several member states, would raise the level of protection for bananas by establishing a quota. The imposition of a 20-percent tariff and a quota on non-ACP bananas entering Germany would be the largest increase in protection. Five member states currently use a tariff only, one member state (Germany) levies no tariff or quota, and six member states use a tariff and a quota.

If adopted, the new EC regime would have to comply with any eventual Uruguay Round agreement on agriculture. The draft agriculture agreement proposed in December 1991 by GATT Secretary-General Dunkel would require that both banana quotas be converted into a tariff equivalent, and then reduced. There would thus be no quantitative limit on bananas entering the EC. Exempting bananas from the Uruguay Round could open the door for renewed demands for exemptions for "special" cases from any country.

### ***A Good Solution, or a Bad Deal for Latin America?***

In the Commission proposal, imports from the ACP countries would be maintained at least at 1990 levels. Additional supplies from the ACP would count against the two quotas. In theory, Latin American producers could fill the entire 2 million tons of the "basic" quota, plus any volumes under the additional quota. However, it would be possible for the EC to use the "partnership" arrangement to increase the volume of EC and ACP bananas marketed, thus cutting into the room available for Latin American bananas.

If supplies increase from either EC or ACP sources, there is the potential for Latin American producers to lose a significant part of their market share in the EC. The Commission is offering income compensation for 854,000 tons of EC production, a level significantly higher than current EC production. Another scenario is a decrease in consumption due to higher banana prices in certain EC markets. Consumption could fall significantly in Germany, and in the other EC countries facing institution of a quota. The EC is only guaranteeing market share for its own producers and those under



the Lomé Convention. Under a variety of circumstances in the distorted EC market, Latin American banana producers, including the U.S. transnational firms, could find selling bananas to the EC less appetizing than before the reform.

### **Council of Ministers Agrees on Banana Plan**

In December 1992, the Council of Ministers agreed on a 2-million ton quota with a 20-percent tariff (100 ECU per ton) on bananas from outside the EC and ACP. For quantities beyond 2 million tons, a tariff of about 170 percent (850 ECU per ton) would apply. The agreement incorporates the mechanism described above whereby part of the "dollar banana" quota would be linked to imports of EC and ACP bananas. The new regime is due to take effect in July 1993, if there are no legal challenges.

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## **EC Proposes Reform of Agrimonetary System**

*The EC Commission has proposed a radical reform of the EC's agrimonetary system by January 1, 1993. If accepted, the reform would make price formation in the CAP more transparent, leading to lower prices. However, recent turbulence in EC exchange rate markets jeopardizes passage of the reform and could lead to further price inflation for CAP products.*

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The agrimonetary system of the CAP has been called the greatest source of economic distortion in the CAP (Franklin). The establishment and maintenance of separate exchange rates for agricultural products (commonly called green rates) that differ from official exchange rates have led to significant price differentials between member states and have prevented the goal of maintaining common agricultural prices in the EC for commodities covered by the CAP.

In addition, the extraordinary complexity of the system and the nature of its mechanisms, as it evolved, contributed significant pressure for CAP prices to rise. For example, the so-called CAP "common price" in ECU rose 26.5 percentage points from 1980 to 1992, when prices to farmers actually rose 50.6 percentage points in national currencies (table 20.1). In 5 of the years the EC claimed to have lowered "common prices" in ECU, prices in reality increased because of conversion into national currencies through the green rates.

The overall effect of the agrimonetary system over the past two decades has been to distort production, consumption, and trade patterns of EC food and agricultural products (Josling and Gardiner). Its complexity has also led to significant fraud (Swinbank).

The advent of the EC's single market on January 1, 1993, and the move to a single EC currency has led the EC Commission to propose a new system. These proposals, if adopted, would make price formation in the CAP much more transparent and remove most of the price-inflating mechanisms currently in place. However, recent realignments of EC exchange rates within the European Monetary System (EMS) appear likely to confound the adoption of a more transparent method of price formation for CAP products.

### **Origins of the System**

A principal goal of the CAP has been to establish common prices throughout the EC. CAP prices are set in a common

Table 20.1: Changes in CAP prices since 1980

	Common prices in ECU (a)	Prices in national currencies (b)	Price disparity (b-a)
1980/81	4.8	5.7	0.9
1981/82	9.2	10.9	1.7
1982/83	10.4	12.2	1.8
1983/84	4.2	6.9	2.7
1984/85	-0.5	3.3	3.8
1985/86	0.1	1.8	1.7
1986/87	-0.3	2.2	2.5
1987/88	-0.2	3.3	3.5
1988/89	0.0	1.6	1.6
1989/90	-0.2	1.3	1.5
1990/91	-1.1	0.2	1.3
1991/92	0.0	0.5	0.5
1992/93	0.1	0.3	0.2

Source: EC Commission.

numéraire (the unit of account, or UA, initially and later the European Currency Unit, or ECU in 1979) which is then converted into national currencies at the appropriate exchange rate. However, when the official exchange rate in an EC member state moved against other member states and thus against the numéraire, farm prices in national currencies would change.

For example, if the French franc (FF) fell 10 percent against the UA or the ECU (a devaluation of the FF), French farmers would receive a 10-percent increase in prices. For example, a CAP price of 2 ECU per bushel of wheat with 1 ECU equal to 5 FF gives a price of 10 FF per bushel. A 10-percent FF devaluation makes 1 ECU worth 5.5 FF and the French farmer then receives 11 FF per bushel in national currency even though the CAP "common price" remains at 2 ECU per bushel.

Conversely, if the German Deutschmark rose 10 percent against the ECU (a revaluation of the DM) then German farmers would suffer a 10-percent decline in domestic CAP prices. The same bushel of wheat equal to 2 ECU per bushel with 1 ECU equal to 2 DM originally gave the German farmer 4 DM per bushel; the 10-percent revaluation lowers the value of 1 ECU to 1.8 DM and the German wheat price is thus reduced to 3.6 DM per bushel.

The reluctance of France and Germany to allow exchange rate fluctuations to be fully transmitted into domestic agricultural prices led to the creation of special exchange rates for

agricultural products covered by the CAP.<sup>1</sup> France officially devalued the FF in 1969, but maintained the old exchange rate to convert CAP prices into FF. In so doing, French policymakers prevented a rise in farm prices, but most importantly for them, they prevented a strong rise in food prices which would have exacerbated an already high rate of inflation. A few months later, Germany revalued the DM but maintained the old exchange rate to convert CAP prices into domestic prices in order to prevent lower farm prices, a political priority for German policymakers.

Because these agricultural exchange rates (later called green rates) were relatively fixed (member states were allowed to change their green rates occasionally) and differed from official exchange rates, significant price differences surfaced between France and Germany. Consequently, French farmers could have sold their CAP products in Germany at higher prices. From the simplified example above, the official cross exchange rate between France and Germany would have moved from 1ECU=5DM=2DM to 1ECU=5.5DM=1.8DM. By maintaining the old rates as agricultural exchange rates, a French farmer could have sold a bushel of wheat into German intervention for 4DM and converted into FF at the official exchange rate of 1.8DM=5.5DM and received 12.22 FF per bushel instead of the 10 FF per bushel offered at the French intervention price. All French wheat then would have been sold into German intervention.

When the Bretton Woods system of relatively fixed exchange rates collapsed in the early 1970s, all EC member states adopted agricultural or green exchange rates leading to price differentials between all EC member states. Member states such as Germany and the Netherlands had strong currencies and therefore had higher farm prices than countries with weak currencies such as France and the U.K.

The problem with allowing price differentials between EC member states was that the intervention system of the CAP guarantees purchase of all quantities of CAP products offered at the intervention price. This would have meant that most or all CAP commodities would have been sold to the intervention agency in the member state with the highest price as noted in the example cited above. In practice, this would have meant that the German intervention system would have been flooded with CAP commodities from other member states because the DM was consistently re-valued in the 1970s and 1980s, which led to Germany having the highest CAP prices in the EC.

To prevent trade resulting from the price differentials between EC member states, border taxes and subsidies, called monetary compensatory amounts, or MCAs, were levied to offset

<sup>1</sup> In reality the special rates used to convert CAP prices into national prices should be viewed as anti-exchange rates because they are employed to counter the effect of fluctuations in official exchange rates between EC member states.



the price differentials. The MCAs were intended as temporary measures in 1969 but they have continued to the present in part because they allow member states to control national prices through manipulation of green rates.

### ***How MCAs Function***

EC countries with devaluing currencies maintained green rates at lower ECU rates than the official exchange rate while member states with revaluing currencies maintained green rates higher than the official ECU exchange rate. In EC parlance, the MCAs in weak currency countries were called "negative MCAs" and their exports were taxed and imports subsidized to equalize prices with other EC members. In countries with strong currencies, MCAs were called "positive MCAs" which meant that their CAP exports to member countries were subsidized and imports were taxed.

Reduction of negative MCAs requires a devaluation of the green rate, which means a price increase for farmers in national currency while reduction of positive MCAs requires a revaluation of the green rate, a price reduction for farmers in local currency. The rate at which MCAs were reduced became the focal point of negotiations in the EC Council of Agriculture Ministers.

In effect, annual price negotiations in the EC centered around devaluations and revaluations of green rates rather than setting common prices in ECUs. Price divergence between member states increased substantially to the point that a grain price differential of over 60 percent between the U.K. and Germany developed in the late 1970s. At this point, the setting of common prices in a numeraire was no longer an accurate indication of EC prices as indicated in table 20.1.

Complicating matters even further, EC member states were allowed to establish different green rates for different commodities. This precedent allowed some countries to develop a comparative advantage in livestock feeding, for example, by maintaining a lower green rate for cereals than for meat. This development allowed French farmers to feed at lower costs relative to German livestock feeders because the French green rate for grains was lower than the green rate for pork. Over 40 different green rates were functioning in the EC in the early 1980s, further reflecting the degree of national control over farm prices.

### ***Introduction of the European Monetary System***

The European Monetary System (EMS) was introduced to stabilize exchange rates between EC member states in 1979. The EMS established the ECU, a basket of all EC currencies, the value of which is based on each member state's rate against the U.S. dollar and weighted by a 5-year average of gross national product and trade shares between member states.

Stability between EC currencies is preserved by the Exchange Rate Mechanism (ERM), which defines in percentage terms

(or bands) how much a currency can fluctuate against the ECU. All member countries must maintain a 2.25-percent band around the ECU central rate with the exception of the U.K., Spain, and Portugal, which participated in a 6-percent band. However, in September 1992, the Italian lira and the U.K. pound were forced out of the ERM and devalued because of economic disparities within the EC that resulted in severe speculation against the U.K. and Italian currencies<sup>2</sup>. Greece does not participate in the ERM.

The EMS did help stabilize exchange rates as EC member states adjusted their monetary and fiscal policies and coordinated intervention on currency markets to keep currency fluctuations within the ERM bands. Realignment within the EMS occurred but at less frequent intervals from 1987 until the recent problem. This is reflected in column three of table 20.1, which shows a decline in the disparity between the CAP's ECU price and the price in local currencies since 1987. Notwithstanding the relative stabilizing influence of the EMS, a political problem surfaced for Germany as DM revaluations resulted in pressure to lower German farm prices throughout the 1970s and 1980s.

### ***Introduction of the Switchover Coefficient***

Every year at the agricultural price negotiations in Brussels, German policymakers were under pressure to reduce their accumulated positive MCAs by revaluing the German green rates, which meant lower prices for German farmers. Beleaguered by both their EC colleagues to lower prices and by their farmers, who protested that they were the only EC farmers whose prices were lowered, led the German policymakers to propose a way of abolishing positive MCAs (Tangemann and Kelch).

The German proposal that was accepted in 1984 introduced a switchover coefficient (or a corrective factor) that prevents the creation of new positive MCAs after a realignment in the EMS. The switchover coefficient is simply a mechanism whereby a corrective factor equivalent to the revaluation of the strongest currency (traditionally the DM) against the ECU is applied to the ECU central rate to create a green ECU central rate for all EC currencies. In this way the "green" ECU was created. With the creation of the switchover coefficient, German farm prices remain unchanged because the German green rate is unchanged and no positive MCAs are created.

However, the switchover coefficient is applied to the ECU central rates of all member states and new larger negative MCAs are thus created in member states with weak currencies. Reduction of negative MCAs then results in higher prices for

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<sup>2</sup>The U.K. pound and the Italian lira are expected to return to the ERM but it is not known when this will occur or at what rate or in which currency band.



all member states not aligned with the DM. Since 1984, the switchover coefficient had increased to 19.6 percent as of December 1, 1992, because of realignments in the EMS.<sup>3</sup> The switchover coefficient applies not only to agricultural prices but to calculation of producer aids and trade with non-EC countries.

The switchover coefficient raises CAP prices in time to the level of the member state with the highest prices. Because of the recent devaluation of the pound and the increase in the switchover coefficient, U.K. sugarbeet prices are likely to increase 10 percent per metric ton this year (Richardson). Overall CAP price rises due to EC currency fluctuations in September were 5.8, 3.0, and 2.5, and 1.8 percent for Greece, U.K., Italy, and Spain, respectively (*Agra Europe*, October 16). Subsequent devaluations of the Italian lira increased farm prices in Italy by 5.2 percent by the end of October and the Spanish peseta and Portuguese escudo were devalued by 6 percent in November. An expected agreement to dismantle the U.K.'s monetary gap (the difference between the market rate of exchange and the green ECU) by 60 percent by devaluing the green rate will increase U.K. CAP support prices by an estimated 7.3 percent (*Agra Europe*, October 23).

The system complicates price formation, and calculation of MCAs at EC border posts adds significant cost for commercial traders of agricultural bulk commodities. Processed food traders in the EC also suffer losses in transaction costs, because MCAs must be calculated and collected at intra-EC borders proportional to the content of the CAP product contained in the processed product. Calculation and collection of MCAs is considered a significant transaction cost in intra-EC food and agricultural trade (EC Commission, *The Costs of Non-Europe*).

### ***The Single Market and the Single Currency***

The passage of the Single European Act in 1987, and the deadline of January 1, 1993, to complete the single market has been a driving force to abolish all technical, fiscal, and physical barriers to intra-EC trade. Consequently, the EC is scheduled to abolish all border posts between EC member states by the end of 1992. The dilemma this presents for the agrimonetary system is that border posts are the only practical place to collect MCAs, and without MCAs the entire pricing system could collapse.

From 1987 until recently, developments in the EC monetary sector have encouraged the elimination of MCAs. There had not been any substantial realignments in the EC since 1987 until the last 2 weeks of September 1992 because of strict

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<sup>3</sup>The switchover coefficient had been at 14.5 percent for two years until the three major realignments since September of 1992 raised it to 19.6 percent and further realignments within the EMS are possible before January 1, 1993 which would result in further increases.

adherence to the ERM. The Maastricht Treaty on European Union signed in December 1991 includes the establishment of an economic and monetary union (EMU) with a single EC currency by 1997 or 1999. If an EMU is created, or if the EC established fixed exchange rates, currency realignments could not occur and an agrimonetary system would not be needed. The combination of the completion of the EC's single market by the end of 1992 and plans for a single currency through an EMU have led the EC Commission to propose a radical reform of the current agrimonetary system.

### ***The Proposed Reform***

The EC Commission has proposed the removal of both the switchover coefficient and MCAs as of January 1, 1993. Removal of the switchover coefficient would require a price increase in ECU of at least 15.7 percent given the current rate. This increase would be required to offset the decline in prices in national currencies created by the conversion to green rates without the switchover coefficient. Removal of the remaining MCAs would mean price increases for countries with negative MCAs such as France and Italy and price decreases for countries with positive MCAs such as Germany and Belgium. The EC proposal includes 25 to 50 percent compensation for farm price decreases from the CAP budget (similar to a deficiency payment) depending on farm income levels.

The success of the new system depends on its acceptance by those countries with positive MCAs and by the absence of any serious realignment within the EMS before January 1, 1993. It had been expected that the U.K., Spain, and Portugal would enter into the narrow band (2.25 percent) of the ERM before January 1, 1993, which would make adoption of the Commission proposals relatively easy. However, the recent exchange rate turmoil in the EMS and the economic downturn in Europe will make it difficult for the current proposals to be accepted.

If the pound and the lira are able to rejoin the ERM before the end of 1992, any new monetary gaps (the percentage difference between the official exchange rate and the green ECU) of up to 5 percentage points that result from a currency realignment in the EMS after January 1, 1993 are to be removed immediately. Monetary gaps above 5 percent are to be removed within 1 year.

The key to the removal of MCAs resides in the rule that the total spread between positive and negative monetary gaps cannot exceed 5 percent. The MCA is equal to the real monetary gap less a "franchise" of 1.5 percent in the case of most commodities. The current system allows a spread of 4 percent between monetary gaps because the motive for commercial trade is not deemed sufficient when the franchise is subtracted. The increase in the real monetary gap to 5 percent is not expected to encourage the movement of CAP products



across EC borders in any significant way (*Agra Europe*, Sept. 25).

There is strong speculation in the EC that countries with strong currencies such as Germany, the Netherlands, Denmark, Belgium, and Luxembourg are strongly opposed to removal of the switchover coefficient. This is largely because of the possible formation of a two-tiered EC within the EMS with strong currency countries in one tier and weaker currency countries in another. Without the switchover coefficient, any future realignments would effectively mean price decreases for countries in the tier with strong currencies as the EC Commission's proposals only call for partial compensation of price cuts due to revaluations in the EMS.

The Commission has also made it clear that the recent large increases in the switchover coefficient (from 14.5 percent to 19.6 percent) are far more costly to the EC budget than compensation for price decreases if the switchover coefficient were eliminated. The official spending ceiling of the CAP may be exceeded this year because of the increase in the switchover coefficient and the monetary turbulence in the EMS which increases MCAs that are paid in part through the CAP budget.

### **Implications for EC Agriculture**

If the EC Commission proposals are accepted and EC currency markets in the EC return to their former stability, CAP prices could be truly common throughout the EC. Price formation in the CAP would be transparent and the inflationary pressures created by the current system would be removed. An estimated 25 percent of the price increases in the CAP that have occurred since the introduction of the switchover coefficient in 1984 is perhaps due to "money illusion" on the part of EC officials (Tangermann). Simply put, the system is so complicated that most EC officials are under the illusion that the common ECU price is the proper indicator of CAP price levels. EC commercial traders would also realize a significant reduction in transaction costs if MCAs were abolished.

Non-EC countries would likely benefit because CAP prices would likely be more constrained if price formation in the CAP were more transparent. However, the road to exchange rate stabilization based on smaller fluctuations is proving to be very difficult in the EC. The recent currency realignments within the EMS could force the EC to adopt an alternative method of dealing with the agrimonetary dilemma that could be as complicated, economically distorting, and price inflationary as the current one and even more fraudulent because of the lack of borders to closely control price differentials. On the other hand, the budget costs of the switchover coefficient is providing added incentive to eliminate this infla-

tionary mechanism. In December 1992, the Council of Ministers agreed to retain the switchover mechanism for two years.

In the longer run, if the EC is able to establish credible exchange rate parities in the EMS and stabilize exchange rates, the price inflationary component of the system will have been curtailed. If a single currency is adopted among the EC-12, the system disappears altogether.

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# Uruguay Round Negotiations Focus on EC, U.S.

*Progress toward an agreement in the Uruguay Round was slowed by difficult negotiations on agriculture. A draft of an agreement, authored by GATT Director-General Dunkel, was released in December 1991 and served as the basis of negotiations in 1992. A November 1992 agreement between the United States and the EC may provide the breakthrough necessary to bring the Round to a successful conclusion.*

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In 1992, the Uruguay Round of multilateral trade negotiations entered its sixth year. The Round was originally scheduled to be completed in 1990. Agriculture, one of fifteen negotiating areas in the Uruguay Round, was targeted for more comprehensive treatment than in past rounds. The attempt to liberalize trade in agriculture, like some other negotiating areas, is ambitious, and negotiations have been at times contentious. Delays in bringing the Round to a successful conclusion have been attributed to difficulties encountered in the negotiations on agriculture.

A major development in the trade talks was the release of a proposed final agreement in December 1991. The "Draft Final Act" was authored by Arthur Dunkel, the Director-General of the General Agreement on Tariffs and Trade (GATT). The Draft Final Act was based on 5 years of multilateral negotiations and consultations among the major players in the agricultural negotiations, in hope that it would provide a compromise that could bring the negotiations to a close. In November 1992, the United States and the EC, long at odds over how to liberalize trade in agricultural products, reached an agreement on disputed areas that may pave the way toward a final agreement in the Round.

## **Dunkel Text Outlines Agricultural Commitments**

The Dunkel text called for separate commitments on agriculture in four areas: market access, export competition, internal support, and sanitary and phytosanitary measures. The latter area includes provisions to ensure that measures taken by countries to protect animal and plant health and safety, as well as food safety, do not constitute a disguised restriction on trade. The Dunkel text foresaw that commitments would be implemented over a 6-year period beginning in 1993.

The Dunkel text contained provisions for countries to make specific commitments as follows:

### **Market access:**

- convert non-tariff barriers to tariff equivalents based on the difference between the average 1986-88 internal prices and world market prices (tariffication); bind all tariffs and tariff equivalents; reduce tariff equivalents thus calculated,

and ordinary tariffs (customs duties) by an average of 36 percent, with a 15-percent minimum cut per tariff line <sup>1</sup>.

- establish minimum access commitments for commodities where there are little or no imports—3 percent of 1986-88 consumption, rising to 5 percent by 1999; where import access is currently greater than 5 percent for products covered by nontariff barriers (quotas, voluntary restraint agreements, and similar quantitative restrictions), current access opportunities must be maintained.

### **Internal support:**

- reduce internal support, measured by the AMS (Aggregate Measure of Support) by 20 percent; internal support is to be measured on a commodity-specific basis and reductions would also be commodity specific; the AMS would be calculated from a 1986-88 base, but credit would be provided for support cuts made since 1986. Certain programs meeting the general criteria that they have little or no effect on trade distortion or production would be exempted from reductions (the "green box" category). Such programs could include research and advisory activities, domestic and international food aid, certain environmental programs, and "decoupled"—i.e., not tied to production levels—income support.

### **Export competition:**

- reduce the quantity of commodities exported with subsidies by 24 percent, and budgetary outlays on export subsidies by 36 percent from a 1986-90 base. Reductions would be made on a commodity-by-commodity basis.

Special safeguard provisions, triggered by increases in import volumes or declines in entry prices, would protect countries from excessive market disruption resulting from concessions granted under the terms of the final agreement. The Draft Final Act also included provisions to ensure that countries do not erect trade barriers under the guise of health measures, while recognizing the rights of countries to maintain more rigorous standards than applied internationally if they are based on sound science and employ consistent risk assessment.

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<sup>1</sup> A bound tariff is a customs duty rate that is agreed to in a GATT negotiation. Once a duty is bound, it may not be raised beyond the bound level without compensating affected parties.



The Dunkel text instructed countries to submit lists translating the Draft Final Act's principles into specific commitments by March 1, following the guidelines set forth in the paper. The so-called "country schedules" were submitted by the major participants in spring 1992.

### ***EC, United States Differ over Dunkel Text***

While the text was received favorably as the basis of negotiations by the United States and most participants, it was not accepted in its entirety by the EC. The Community's position, particularly on negotiations in agriculture, was at odds with many of the proposals in the Dunkel paper. Certain areas of dispute were critical to the United States, and were the subject of protracted bilateral negotiations over the course of the year in an attempt to find a resolution.

Market access provisions in the Dunkel text were aimed at increasing trade in goods where protection currently restricts access through a combination of tariff reductions and minimum access requirements. Tariffication would replace non-tariff barriers with bound tariffs. Changes in agricultural support mechanisms enacted by the EC in the course of the recent reform of the CAP did not include changes in import protection.

The EC objected to proposed cuts in export subsidy outlays and in the volume of subsidized exports. The EC uses export subsidies to export agricultural surpluses caused by high EC producer price supports. The EC's agricultural exporting member countries in particular objected to the Dunkel proposal's constraint on subsidized exports.

Reducing subsidized exports is an important objective for the United States and like-minded countries. Subsidized exports not only exacerbate distortions in the domestic market of the country using them, but they further disrupt world markets by displacing exports of lower-cost producers. The quantity and outlay reductions would ensure that these distortions would be reduced.

### ***U.S., EC Reach Accord on Agriculture***

On November 20, U.S. and EC negotiators struck a bilateral agreement on reducing agricultural support and increasing market access for agricultural products that will allow multilateral negotiations on a global trade agreement to proceed. A separate agreement resolved the U.S.-EC oilseeds dispute.

### ***The main features of the U.S.-EC agreement are:***

- **Export competition:** The quantity of subsidized exports will be reduced by 21 percent from 1986-90 levels over the 6 years of implementation of a Uruguay Round agreement. Expenditures on export subsidies will be reduced by 36 percent from 1986-1990 average levels. Reductions are to be made on a commodity-by-commodity basis.
- **Internal support:** Internal support will be reduced by 20 percent from the 1986-88 average, with credit given for support cuts made since 1986. Specific commitments will be implemented on the basis of a total AMS for all agricultural commodities, rather than on a commodity-by-commodity basis. Production-limiting payments will not be subject to the 20-percent reduction over the 6 years of implementation of a Uruguay Round agreement. These payments are understood to include the EC's set-aside payments, as well as their compensatory payments.
- **"Peace clause":** Both parties agreed to a clause to be added to the Final Act that would exempt from most trade actions internal support measures and export subsidies that do not violate the terms of the agreement on agriculture.

In other areas, the original provisions of the Dunkel text remain the basis for final negotiations.

Under the extension to fast track negotiating authority granted in 1991, the President must notify Congress of his intent to enter into an agreement by March 2, 1993. Under fast track procedures, Congress must approve or disapprove a final Uruguay Round agreement without amendment.

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## EC Negotiating New Long-term Budget Plan

*With CAP Reform set to start next year, the EC is presently negotiating new spending priorities within a 5-year budget plan for 1993-97. The most controversial aspects involve a proposed shift in the financing of Community expenditure, and a new "cohesion" fund, both to benefit the poorer EC nations. The implications for the CAP of the new "Delors II" 5-year package include continued fiscal discipline within the agricultural guideline, as well as a decreased share of the total EC budget.*

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The 1992 budget is the last under the initial 5-year plan agreed upon in 1988 at Fontainebleau. Major reforms in the financing of the CAP were agreed upon at that time, specifically the introduction of a gross national product-based revenue source with a maximum contribution by each member state of 1.2 percent of national GNP. The EC agreed to limit the growth in spending on the European Agricultural Guarantee and Guidance Fund (EAGGF) to 74 percent of the growth in GNP. Other measures included the institution of budgetary stabilizers in the cereals and oilseeds sectors, an early warning system, and the establishment of a monetary reserve. According to a Commission assessment of the first 5-year plan, "Community operations have gained in coherence and transparency, providing the financial framework for the implementation of the Single Act."

Negotiating the 1988-92 plan took a year, from February 1987 to February 1988. The new "Delors II" plan will likely require the same time period for agreement. Discussion started at the Maastricht summit in December 1991, and should be concluded at the Edinburgh summit in December of this year. The Delors II plan seeks to incorporate the costs of CAP Reform, encourage economic convergence between the richer and poorer member states, promote industrial competitiveness, and increase EC foreign assistance to Eastern Europe and the former Soviet Union.

In a communication released in February, the Commission outlined its plan for the next five years, proposing a 5.6 percent annual increase in the overall budget to 84.5 billion ECU (\$116 billion) in 1997 (at 1992 prices). The creation of a 10 billion ECU (\$13.7 billion) "cohesion" fund is intended to promote economic development in those member states with a per capita gross national product of less than 90 percent of the Community average. This would help the "poor four," i.e. Greece, Ireland, Portugal, and Spain, to prepare for economic and monetary union (EMU), as envisioned as early as 1997 under the Maastricht treaty. Another controversial aspect is a proposed fund for restructuring, retraining and research in sectors where the EC is losing competitiveness, namely the automobile, defense, electronics and textiles industries. Delors II would establish a separate budget heading for "external action," including food aid, emergency humanitarian assistance, credit guarantee operations, and technical

assistance to third countries. Thus, agriculturally-related assistance such as food aid, as well as the 500 million ECU (\$686 million) loan guarantee and 1.25 billion ECU (\$1.7 billion) direct credit to Russia and the rest of the former USSR, would not fall under the EAGGF budget.

### ***EAGGF Spending to Stay within the Guideline after Inflation***

The agricultural guideline for the CAP, which has effectively contained spending on agriculture over the last five years, is currently slated to grow 1.6 percent per year from 35.039 billion ECU (\$48 billion) this year to 37.781 billion ECU (\$52 billion) in 1997 (at 1992 prices). For the first time since the institution of the CAP, the share of expenditure devoted to the EAGGF would fall below 50 percent of total EC spending in 1995, declining to 42 percent in 1997 (table 22.1). This assumes that the EC spends all of the guideline, which has not usually been the case. In recent years, actual agricultural expenditure has been about 3 billion ECU below the guideline.

The CAP Reform compromise finally agreed to by the EC Council of Ministers is estimated to raise EAGGF spending by 4.5 percent annually, to 39.206 billion ECU (\$54 billion) in 1997 (at 1992 prices). Changes from MacSharry to the CAP Reform compromise involve higher expenditure in some areas, lower in others. The cereals price cut agreed to by the Council is less than under MacSharry, which should raise intervention costs, but the corresponding income compensation payment is lower. The protein crop payment is higher. While there will only be a minimal cut in dairy prices, the EC will save a great deal by eliminating the proposed dairy cow premium, which would have brought 1.4 billion ECU (\$1.9 billion) on-budget in 1996 and 1997. However, more land is now eligible for set-aside compensation, and headage limits are more liberal. The suckler cow and male bovine premia are larger than originally proposed.

The Commission believes that spending under the CAP Reform compromise will stay within the guideline once the latter is adjusted for inflation. In June, the Commission released an estimate showing EAGGF spending in 1997 (at 1992 prices) about 10 percent below a guideline adjusted for 3



percent annual inflation (figure 22.1). The Commission assumes that adjustment in expenditure due to inflation will be minimal, since the 3-year payments under CAP Reform are fixed, and because policy prices are not adjusted for inflation. Some member states hope that this could free up about 4 billion ECU to spend elsewhere.

### **Guideline to include Spending on Fisheries and Structural Adjustment**

Plans are for the agricultural guideline to include some new areas, such as the accompanying measures related to the CAP Reform compromise, as well as the Guarantee Fund for Fisheries (29 million ECU in 1992), and the joint financing of existing national agricultural income support schemes. Expenditures for improvements in agricultural structures (Objective 5A), which amount to 70 million ECU (\$96 million) in 1992, would also be placed within the guideline.

In its initial proposals for Delors II in February, the Commission asked for a one-time boost of 1.5 billion ECU (\$2.1 billion) in 1994, described as "the exact amount of the additional costs resulting from German unification." There was significant opposition to this point in discussions at the Lisbon summit in June. The Commission subsequently pointed out that failure to provide the additional money would amount to a de facto reduction of the guideline and a consequent tightening of budgetary discipline. It was reported in October 1992 that the Commission had withdrawn its request for this extra money.

The 1988 budget package also instituted an agricultural monetary reserve designed to protect against abrupt fluctuations in the dollar exchange rate. The value of the reserve can be seen in this example: in the period from October 16, 1990 to August 31, 1991, the dollar-ECU exchange rate was 6 percent higher than projected, costing the Community 450 million ECU (\$617 million) in additional expenditure. In 1992, the EC allocated 500 million ECU for this reserve. Under Delors II, the reserve would decrease to 200 million ECU in 1995, since the unit value for export subsidies should decrease with lower prices for cereals and beef.

### **Financing the Long-Term Budget: Who Pays?**

Much of the discussion at the Lisbon summit involved whether to change how member states contribute to the Community budget. The maximum "own resources ceiling" would rise from 1.2 percent to 1.37 percent of GNP. The Delors II plan would lower the share of the EC budget financed by the value added tax (VAT) levied in every member state from 55 percent to 35 percent. The maximum call-in rate of all VAT revenue going to the EC would decrease from the current 1.4 percent to 1 percent. This shift in financing, doubling the current one-fifth share of the budget provided by the GNP resource, would benefit the poorer member states, which devote a large proportion of their GNP to consumption.

At the Lisbon summit, the wealthier EC nations objected to paying a larger share of the EC budget than at present (table 22.2). Many believe that the new priorities of the Delors II plan can be paid for within the existing spending ceiling of 1.2 percent of GNP. The 1992 budget only amounts to 1.14 percent of GNP from the member states. This would provide over 3 billion ECU in slack under the current statutory limit. However, the Delors II plan envisages 18.5 billion ECU (\$25.4 billion) in additional expenditure, including the costs of CAP Reform. One possible compromise involves deferring any increase in spending for two years, and extending the 5-year plan by two years out to 1999. Many possible compromises have been discussed leading up to the Edinburgh summit,

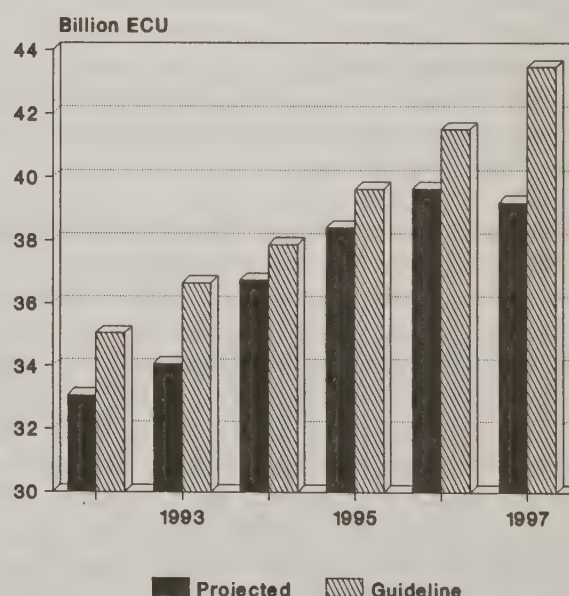
Table 22.1: Proposed agricultural guideline

Year	EAGGF guideline	Share of total budget
--Billion ECU--		
1992:	35.039	53.0%
1993:	36.657	50.4%
1994:	37.877	50.0%
1995:	39.631	48.5%
1996:	41.500	46.8%
1997:	43.461	42.2%

Source: EC Commission.

Figure 22.1

### **Projected CAP Spending**



Note: Spending in constant 1992 ECU.  
Guideline assumes 3-percent inflation.  
Source: EC Commission.

**Table 22.2: Net contributions to EC budget**

	After U.K. rebate	Before U.K. rebate
1991/92		
Net contributors	--Billion ECU--	
Germany	9.0	8.5
U.K.	3.0	5.0
France	1.5	0.9
Netherlands	0.1	0.0
Net recipients	--Billion ECU--	
Denmark	0.5	0.5
Italy	0.6	1.1
Luxembourg	0.7	0.7
Portugal	1.1	1.2
Belgium	1.6	1.7
Ireland	2.4	2.4
Spain	2.9	3.2
Greece	3.9	3.9

Source: European Commission.

with resolution of the budget issue tied into other Community issues.

The original budget proposal assumed 2-percent growth in GNP in 1993 and 2.5 percent annual growth from 1994-97, compared with actual growth of 3.1 percent from 1987-92. The Commission has since revised its growth estimates downwards, forecasting economic growth of only 1 to 1.5 percent in 1993. The budget plan does not account for inflation, but nearly doubles the "margin of maneuver" to 0.03 percent of GNP as insurance against lower economic growth or higher

spending. The Council of Ministers must unanimously approve the proposals, which also need the approval of the European Parliament, which exercises considerable influence in budgetary matters.

### ***Agreement Reached at Edinburgh Summit***

In December 1992, the EC heads of state and government agreed on a 7-year budget plan incorporating most of the elements described above. The guideline for agriculture would rise to 38.4 billion ECU (\$52.7 billion) in 1999, comprising 46 percent of the total EC budget of 84.1 billion ECU (\$115.4 billion) in that year. After prolonged negotiations, the "own resources ceiling" will remain at 1.2 percent of GNP through 1994, rising to 1.27 percent in 1999, well below the level suggested in the original Delors II plan.

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# EFTA and EC Link To Form European Economic Area

*Although the countries of the European Free Trade Association (EFTA) signed an agreement in May 1992 to form the European Economic Area (EEA), most trade in agricultural goods will continue to be governed by a series of bilateral agreements between individual EFTA countries and the EC. Special concessions accompanying the EEA encourage trade in a number of processed products and increase access to EFTA markets for products from less developed regions in the EC.*

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Ideally, the European Economic Area (EEA) would create a single European market of 19 Western European countries, representing over 380 million people. Members of the EEA would account for 43 percent of world trade. The 12-member European Community agreed to share the main benefits of the upcoming single market with the 7-member European Free Trade Association (EFTA)—Austria, Finland, Iceland, Liechtenstein, Norway, Sweden, and Switzerland. Austria adopted the treaty on September 22, 1992, followed by Norway and Finland in October. The European Parliament approved the accord October 28, 1992. Although the Swiss legislature endorsed joining the EEA, eighteen of Switzerland's 23 cantons—and just over 50 percent of the voters—rejected the EEA in a national referendum December 6, 1992.

## **Background to EFTA-EC Negotiations**

For the past 30 years, the EFTA countries have promoted the expansion of trade and the removal of trade barriers between member states, the EC, the OECD and worldwide. The free trade agreements of the early 1970s between individual EFTA states and the EC have guaranteed the widening of the free market for goods in the EC-EFTA region. In 1984, the Luxembourg Declaration began a new phase in EFTA-EC relations by broadening cooperation in fields other than trade.

The EEA agreement opens a new phase in EFTA-EC relations. Many of the advantages of the EC's new Single Market, to be implemented January 1, 1993, will be extended to EFTA countries. Theoretically, the four freedoms—free movement of goods, persons, services, and capital—will be accorded to EFTA countries. However, a number of special regulations and exceptions will remain. While capital and services should be more or less unrestricted in 1993, trade in agricultural goods and the harmonization of customs duties and taxes will be contained in a series of bilateral agreements that are external to the EEA agreement.

An institutional framework has been created to facilitate EEA decisionmaking between various EC bodies and individual EFTA countries. However, EFTA countries will continue to remain outside the Brussels decisionmaking process until eventual membership (see article on EC enlargement on page 87).

The EEA agreement was signed in Portugal on May 2, 1992, following the withdrawal of objections by the European Court of Justice. The EEA must now be checked by legal experts and ratified by the parliaments of the 19 EC and EFTA countries, passed by the European Parliament, and approved by popular referendum in Iceland. Although originally scheduled to take effect January 1, 1993, the EEA is not expected to come fully into force until early spring 1993. Under the terms of the EEA, rejection by any EFTA or EC country triggers a "diplomatic conference" of the remaining 18 countries to amend the treaty. Defeat at the hands of Swiss voters will raise questions about the status of Switzerland's annual 145 million ECU contribution to the proposed "cohesion fund" to spur development in the poorest EC member states.

## **The EEA and Agriculture**

EFTA's agricultural sector is small relative to that of the EC. However, with a much smaller population, production of the basic agricultural commodities—cereals, meat, and milk—is usually more than adequate to meet the region's needs. EFTA's high per capita income stimulates the demand for imports of high-value processed foodstuffs and horticultural products.

The EC hopes the provisions of the EEA will boost trade on the EFTA markets for products from less developed regions within the EC that are generally not produced in EFTA countries. The EFTA countries are required to abolish or reduce import duties in the agreed areas by January 1, 1993, for all EC goods.

The EEA agreement does not require the EFTA countries to adopt the EC's Common Agricultural Policy (CAP). EFTA's agricultural sector receives a greater level of protection than most due to the high cost of farming in many of the northern and mountainous regions. Under the EEA, the EFTA countries will retain their own farm rules and border controls.

The EEA agreement, however, will increase EC/EFTA cooperation in agricultural trade. The major modifications, contained in a series of bilateral agreements concluded alongside the EEA, feature liberalization of preferential quotas on a host of agricultural products. Most involve seasonal, zero-duty tariff quotas on a variety of fruits and vegetables, juices, wine



and spirits, cheeses, processed meats, and cut flowers (see box).

Iceland steadfastly refused to agree to a free market in fish under the EEA agreement. Fish exports comprise 80 percent of the country's export earnings. Norway, also highly dependent on the fishing industry, joined Iceland in its fight to protect this economically important industry.

Processed agricultural products will continue to receive compensation for the agricultural raw materials incorporated in them as stipulated under earlier Free Trade Agreements. The major products covered by these arrangements are cheese, pork, beef, and horticultural products.

The EEA agreement is also expected to make progress in the area of veterinary and phytosanitary regulations by reducing technical barriers to trade arising from differences in the national regulations on animal and plant health.

### ***A Stepping-Stone to EC Membership, or a Good Place To Stop?***

The EEA allows EFTA members to participate in the EC's internal economic market without belonging to the Community. Certain sectors vital to EFTA economies—such as agriculture and regional policies—remain untouched, however. Therefore, many in the EFTA countries see the EEA as only a first step towards full membership. The Finnish government believes the EEA “cannot fully safeguard Finland's interests” and it is only through full membership that national interests can develop.

While the EEA offers market openings to EFTA farmers, many fear that full membership in the CAP will threaten their livelihoods. For example, Swiss farmers are largely in favor of the EEA as long as it remains completely separate from EC membership. The fear is that a large number of EFTA farmers could not survive in highly competitive agricultural markets with the lower support levels of the EC.

### ***Sweden Launches Sweeping Reforms in Agricultural Sector***

Increasing domestic surpluses of farm produce in conjunction with low world market prices overtaxed the Swedish economy during the 1980s, forcing a re-examination of Swedish farm policy.

Sweden undertook one of the most ambitious domestic reform efforts ever attempted in 1991 when it adopted a New Food Policy. In essence, price and marketing controls will be replaced with production regulated by demand. Market competition will rein in high consumer prices. Resource conservation and environmental protection are encouraged instead of intensive farming practices.

### **EEA: Bilateral Commodity Agreements at a Glance**

EC/Austria-Reciprocal liberalization of quotas and/or duties on cheese, fruit and vegetable juices, wine, and pork. Austria grants tariff concessions at zero duty on selected horticultural products from less developed EC regions.

EC/Finland-Reciprocal liberalization of quotas and/or duties on cheese, beef, and pork. EC eliminates duty on vodka. Finland grants tariff concessions at zero duty on selected horticultural products from less developed EC regions.

EC/Norway- Reciprocal increase of 200 tons in present quotas for cheese. EC grants reduction to zero duty on bottled Norwegian aquavit. Norway liberalizes seasonal zero-duty tariff quotas on selected fruits and vegetables. Norway grants tariff concessions at zero duty on selected horticultural products from less-developed EC regions.

EC/Sweden-Reciprocal liberalization of quotas and/or duties on cheese, fruit, vegetables, floricultural products, beef, pork, margarine, wine/spirits, and pet food. Sweden grants tariff concessions on selected horticultural products from less-developed EC regions.

EC/Switzerland-Reciprocal modification of quotas and/or duties on cheese, potted plants and cut flowers. Switzerland grants a 50-percent tariff reduction on selected horticultural products from less developed EC regions. Defeat of the EEA in the Swiss referendum places in doubt the status of this bilateral agreement.

Source: Agra Europe, May 8, 1992.

### ***A New Food Policy for Sweden***

Specifically, the New Food Policy—to be implemented in steps over 5 years—features the following measures:

*Liberalization of production and trade.* Internal market regulations, intervention buying, and export subsidies will be abolished. Internal surpluses will be eliminated. For example, controls on eggs, sugar, and table potatoes ended July 1, 1991, as did milk export subsidies. As an incentive, producers will be paid a subsidy to cease milk production and elderly producers may participate in an early retirement scheme through 1996.



Price and marketing controls will be gradually phased out. For crops, intervention buying will be phased out over 3 years. In the interim, grain prices for intervention purchases will be gradually reduced 35 percent by 1994. Until then, price guarantees and direct income payments based on acreage will continue, although at gradually reduced rates of payment. Export subsidies for grains, beef, and pigmeat will be reduced in increments over 3 years, ending in 1994. Meat producers will receive fixed grants annually through the 1992/93 marketing year.

Border protection against low world market prices, however, will remain until international agreements on price reductions can be reached.

*Encouragement of regional development.* Efforts will be made to distribute agricultural employment and prosperity more evenly among regions. Settlement in sparsely built-up areas will be promoted. First-time farmers will receive assistance establishing their operations. Farmers in the north of Sweden will continue to receive price support and livestock headage and acreage payments. All attempts will be made to preserve a varied agricultural landscape and support nature conservation.

*Shift in land use to reduce surpluses.* Land use will shift from traditional crop production to other kinds of use, such as energy or industrial production, in order to reduce surpluses. Farmers are no longer obligated to cultivate land. Acreage subsidies will compensate farmers for taking on new activities instead of growing surplus crops.

*Sound environmental management practices.* Efforts are underway to reduce farming's negative impact on the environment. The new policy will develop incentives to promote afforestation, to reconstruct wetlands, to reduce agricultural leaching of nitrogen, to reduce artificial fertilizer and pesticide use, and to develop a more varied range of crops so as to increase variety in the countryside. Farmers are encouraged to be "providers of environmental services" by electing environmentally sound agricultural practices such as livestock grazing on farmlands or pasture husbandry instead of intensive production in feedlots.

*High quality food at reasonable prices.* The New Food Policy seeks to provide high quality food at prices consumers can afford. Between 1980 and 1988, food prices in Sweden increased 12 to 21 percent faster than those in other European OECD countries. Until the New Food Policy, Swedish consumers have paid approximately one-fifth of their total expenditures on food. A closer alignment between farmers, retailers and consumers should increase incentives for farmers to provide a better quality product and more choice. Consumer food prices, particularly for pork and beef, are expected to fall as producer levies paid by farmers to finance the export of surpluses diminish.

*Food supply guaranteed.* Measures such as stockpiling and even production throughout the country will continue to ensure Sweden's food security during war and crisis.

### **Transition for New Policies**

While some measures of the New Food Policy were effective immediately, others will be phased in over 3 to 5 years. For crops, intervention buying will be phased-out over 3 years. In the interim, grain prices for intervention purchases will be gradually reduced 35 percent by 1994. Until then, price guarantees and direct income payments based on acreage will continue, although at gradually reduced rates of payment. Export subsidies for grains, beef, and pigmeat will be reduced in increments over 3 years, ending in 1994. Meat producers will receive fixed grants annually through the 1992/93 marketing year. No change is expected in the total amount of livestock headage payments.

### **Preparing for EC Accession**

Towards the end of the 5-year transition period for the New Food Policy, Sweden may be preparing for transition to EC membership. Sweden will have to align prices and standards in the oilseeds, protein crops, and livestock sectors, although the complexity of the new policy on milk and milk products will pose some problems. Sweden would have to re-introduce intervention buying in cereals, and adopt the CAP withdrawal mechanisms for fruits and vegetables. The largest adjustments for Sweden would come in aligning prices and standards in the cereals, dairy, and possibly, the livestock sectors.

### **Austria**

Efforts to reduce overproduction began with the arrival of the new coalition government in 1990 and will continue through 1994. Priced at 11.1 billion shillings per year, overproduction occurs mainly in the milk, grain, and cattle sectors. The 4-year framework agreement on agricultural policy measures aims to move toward greater competition in the production, processing and marketing of agricultural goods.

Austria has been spending nearly 3 billion shillings a year to reduce grain output through set-aside programs and production of alternative protein sources such as oilseeds and pulses. Production area of these alternative crops is expected to expand from 130,000 ha in 1990 to 300,000 ha within 5 to 6 years. Rapeseed, which will then be processed to rapeseed meal and fuel oil, will be the primary "alternative crop." Additional crushing plants will be needed to meet the increased output.

In the dairy sector, a voluntary milk supply restraint scheme has succeeded in reducing milk deliveries to 2.2 million tons. The maximum quantity that individual farmers may cut back in order to receive compensation was raised from 10 to 14.5 percent in 1991. Supplementary payments of up to \$0.06 per kilogram are available to farmers who voluntarily reduce production beyond the maximum level. A new dairy market



regulation partially deregulating the market and increasing competition between dairies will be implemented in 1992.

Support to mountain and disadvantaged areas in Austria will increase over 30 percent to \$86 million in 1992. Less intensive farming practices will be promoted through incentives at a cost of \$2.8 million. A fertilizer tax, with particular emphasis on nitrogen, was instituted in 1991.

### **Finland**

Plagued by recession, Finland has decreased its export subsidies to \$304 million, although the agricultural sector remains highly protected. The rise in direct payments per hectare in the cereal sector offset to some extent the lowering or freezing of prices. On the other hand, some of the measures to control production, particularly those in the milk sector, were accompanied by higher administrative prices and thus exacerbated the economic distortions associated with supply control measures.

Government funding of supply control measures will increase 11 percent to \$325 million in 1992. The production support for milk, eggs, and meat is based upon quota and region of production. The price for eggs and meat increased in 1991.

There are over 3,000 voluntary contracts to cease agricultural production in operation, covering arable land, cows, hens, and pigs. Fallow land, representing 22 percent of total cultivated area, increased approximately 168 percent to 494,000 ha in 1991.

In 1991, Finland introduced an environmental program that promotes environmentally sound agricultural practices; a reduction in water pollution, phosphate use, and erosion and nitrogen pollution; and the protection of the environment in the construction of rural buildings.

### **Norway**

Norwegian agricultural policy in 1991 did not change significantly toward greater market orientation. While there was some reduction in administered prices, this was more than outweighed by an increase in direct payments. Milk production will be reduced by almost 3 percent in 1992 due to a 1.4-percent cut in milk quotas and the introduction of a dairy producers' buy-out scheme. Each farmer can receive payment of 4 krone per liter for up to 120,000 liters. Price support policies continue to insulate Norwegian farmers from world markets.

Under the Landscape Maintenance and Development scheme, farmers are encouraged to protect cultural assets and areas of high biological diversity, and to improve access to agricultural fields by developing recreational paths and touring roads. Cereal producers can receive a payment under the 1991/92 Agricultural Agreement for preventing autumn plowing in

areas vulnerable to erosion. Payments are also available to farmers who practice ecological farming.

### **Switzerland**

The goal of Swiss agricultural policy, announced earlier this year, is to make agriculture more market oriented and to more closely align it with the CAP by partially dismantling the price support system and replacing it with a complex system of direct income payments to farmers. In 1990 and 1991, Switzerland had the highest producer subsidy equivalents of any OECD country at 80 percent of the value of production, compared with the OECD average of 45 percent and the EC average of 49 percent. Consumers primarily bear the costs of agricultural policy at about one and one half times the OECD average. Swiss producer prices are one and one half times to three times that of EC prices. It is not surprising Swiss farmers are reluctant to change.

Agricultural reforms will gradually shift price supports to direct payments, and reduce surpluses of basic agricultural commodities by using special direct payments to encourage less intensive, more ecological production. Under consideration are plans to encourage production of more high-quality and niche products, and more direct sales to consumers.

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## Finland's Changing Trade Relationship

Until the mid-1980s, Finland's largest trading partner was the former Soviet Union. Finland's geographical position, with its 621-mile border with the Soviet Union, justified a policy of agricultural self-sufficiency. Largely due to its position of privileged access to the former Soviet Union, Finland reaped the highest economic growth rate in Western Europe in the 1980s.

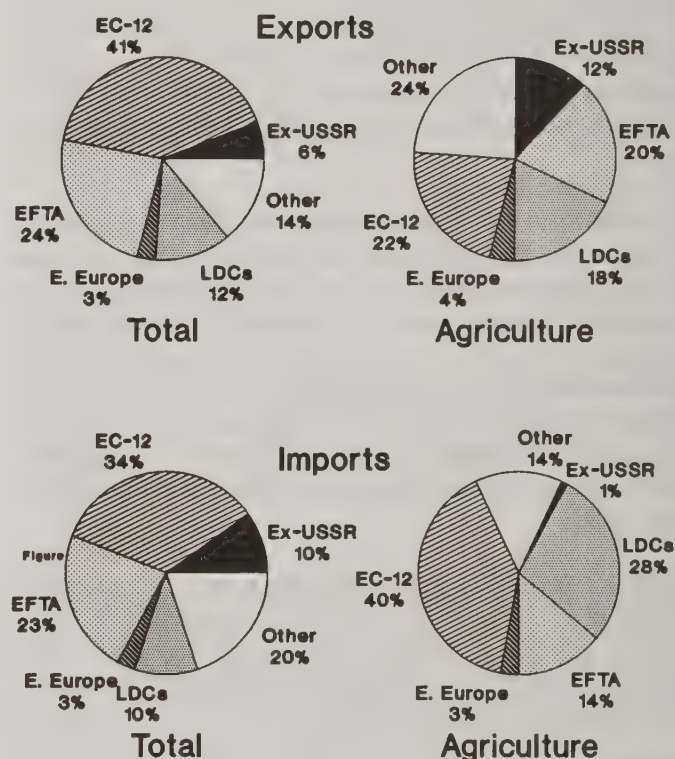
With the emergence of perestroika and glasnost, Finland began to shift its focus toward the EC. The rapid collapse of trading links with the former Soviet Union accelerated Finland's move to the Western European market. In 1983, more than 25 percent of Finland's exports went to the former Soviet Union. By 1991, Finnish exports to the former Soviet Union dropped to 6 percent. Currently, at least 34 percent of Finland's imports come from the EC and Finland is locating many of its production plants there (figure 23.1). Agricultural products make up 22 percent of Finland's exports to the EC. However, many Finns remain reticent about EC membership, fearing it could reawaken Russian hostility, in the event that Russia reverted to "authoritarian rule and militant nationalism."

Finland's changing trade relationship has been accompanied by a dramatic downward shift in the economy. In 1991, GDP dropped 6.1 percent, unemployment hit 7.6 percent, and exports' share of GNP fell to 22 percent, down 11 percent. In spite of a slight export revival, unemployment climbed to 14.4 percent in June 1992 and interest rates for commercial lending increased to 16 percent from 14.6 percent. The Finnish markka also came under attack during the European currency crisis in September 1992.

While a declining industrial base accounts for part of the recession, politicians, businessmen, and economists attribute Finland's economic woes to the collapse of its trade relationship with the former Soviet Union and to the inher-

ent difficulties in establishing a new trade relationship with the recession-afflicted Western European market. After years of isolation, there are many in Finland who view EC membership as the means to economic recovery.

Figure 23.1  
Finland's Trade 1991



Source: United Nations.

## EC Begins Process of Enlarging the Community

*The EC will start negotiations next year on full membership with certain EFTA countries. For the most part, the EFTA countries being considered are self-sufficient in agricultural products, but offer even greater support for agriculture. Democratization in Central and Eastern Europe has opened the prospect of EC membership there.*

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With the objectives of the Maastricht Treaty on European Unity in December 1991 pointing the way toward a deeper integration of the 12 member states, the European Community is now considering how to widen its membership. The consequences of the Danish rejection of the Maastricht accord and weak French support remain to be seen in terms of economic and monetary union, but preparations for enlargement are proceeding. At the Lisbon summit in June, the Commission submitted a report entitled "Europe and the Challenge of Enlargement," discussing the issues and prospects for EC enlargement. Whereas enlargement could lead to great changes in the decisionmaking structure of the Community, broader membership would not profoundly affect the composition of EC production, consumption and trade.

The completion of the Single Market and the collapse of the COMECON system have given the EC an impetus to expand that it resisted just a couple of years ago. Since the fall of the Berlin wall, consensus has been that, prior to enlargement, the EC needs to further integrate by firmly establishing economic and monetary union along with political union via new treaties. In the founding treaties from the 1950s, the two stated conditions for EC membership are that a potential member must be a European country with a democratic form of government. Commission President Jacques Delors asserts that there is no timetable for new members. The Council of Ministers must approve all applications by unanimous vote.

The most likely to be admitted first are some of the wealthy neighbors within the European Free Trade Association. The United Kingdom wants the EC's negotiating position towards the four EFTA countries with outstanding applications—Austria, Finland, Sweden, and Switzerland—finalized by the conclusion of its term as president of the Council of Ministers at the end of 1992. At the Lisbon summit, the member states concurred that official negotiations on membership must wait until the Maastricht treaty is ratified by all members and a new long-range Community budget is agreed upon.

Last year, the Commission recommended opening membership negotiations with Austria. In July, the Commission recommended that negotiations with Sweden should start upon ratification of the Maastricht treaty. On March 18, Finland's parliament voted to apply as well. Norway was on line to join the EC in 1973 until 53 percent of the population voted against entry due to concerns over sovereignty of North Sea energy resources. Norwegians will choose again in November. Switzerland decided in May to apply immediately. Full

EC membership for some or all of these countries could come as early as 1995 thanks to the progressive integration of the EC and EFTA, whose members already have associate membership offering an enhanced degree of economic cooperation with the Community.

### ***Beyond the EEA for EFTA Countries***

In May, the EC and the seven EFTA countries finally signed the treaty forming the "European Economic Area," allowing for the free movement of goods, services, people and capital (see EFTA article on page 82). Free trade in agriculture is not a feature of the agreement. Rejection of the EEA by the Swiss electorate, in part over acceptance of the primacy of EC law and introduction of a value-added tax—the main source of EC financing, does not preclude Switzerland from future EC membership. The neutrality of countries such as Finland and Switzerland could pose problems, though, in an era when a common EC defense policy is under consideration in the wake of Maastricht.

Other countries that have applied include Malta and Cyprus, with the former hindered only by its small size and peripheral geography. Cyprus probably must wait until there is some resolution of the conflict there. Turkey's long-standing application was last considered in December 1989, but Greek opposition over Cyprus, as well as geographical concerns about extending the EC into the Asian land mass, may postpone Turkey's application yet again.

### ***Central Europe Offered Triangular Trade, Some Market Access***

EC enlargement may some day include Central and Eastern Europe as well, a region where total EC exports rose by half to \$16 billion in the first 9 months of 1991, with imports amounting to \$14.5 billion. The calls for accelerated membership by these newly democratic states may have hastened the EC into considering admission of the EFTA states. Czechoslovakia, Hungary, and Poland signed Association Agreements with the EC in December 1991, a first step towards eventual full membership. The EC plans to adopt a formal stance regarding future relations with Eastern Europe at the Edinburgh Summit in December 1992. A preliminary joint statement noted the progress made by these three countries and cited the "common objective of gradual integration."

With the Association Agreements not due to take effect until January 1993, a transition agreement took effect in March



1992, phasing out many tariffs between the EC and the so-called "Visegrad trio." For agricultural commodities regulated by the EC variable levy and quota mechanisms, there will be a 60-percent reduction in the levy and 50 percent greater access by the end of the 5-year phasing-in period in 1997. By 1997, the EC will admit a total of 18,200 tons of beef, 47,600 tons of pork, and almost 300,000 live tons of beef cattle between the three countries, as well as 232,000 tons of common wheat from Hungary and 1,400 tons of butter from both Czechoslovakia and Poland.

Market access in 1992 for the so-called "Visegrad trio" into the EC includes 4,166 tons of beef from Hungary entering at 80 percent of the import levy, 3,334 tons from Poland and 2,500 tons from Czechoslovakia. A total of 16,500 live adult bovine animals from these three countries will be admitted in 1992 at 25 percent of the applicable levy. The EC is considering setting minimum import prices for raspberries, strawberries, and red and black currants coming from these countries, because the lower costs of production might allow for flooding the EC market.

Another innovative aspect of the Association Agreements is the "triangular trade" provisions intended to help Russia and Central Europe, without further opening the EC market. Under this arrangement, the EC would provide credit to Russia or another country with which to purchase agricultural commodities in Czechoslovakia, Hungary, or Poland. In April, Russia bought 70 million ECU (\$96 million) worth of goods through a "triangular trade" deal, including wheat and barley from Czechoslovakia, sunflowerseed oil from Hungary, and wheat flour and milk powder from Poland. The EC has also used "triangular trade" for food aid, paying for the delivery of 90,000 tons of Czechoslovakian wheat to Romania in July, and to send 50,000 tons of Hungarian wheat to Albania.

Overall, the EC has proven more willing to provide assistance in the reform of agricultural structures and the development of marketing and investment channels than in market access for these countries, which are facing the challenges of dismantling collective farms, modernizing production and marketing methods, and developing adequate banking and distribution systems. One aspect hindering early entry for these three countries is the EC's "wait-and-see" attitude regarding the stability of governments emerging from totalitarianism. The last three EC members to join—Greece, Portugal and Spain—all had to prove at least a decade of democratic political activity before being admitted.

Even prior to implementation, the Association Agreements had some effect on U.S. exports. To create a margin of preference for the EC, Poland raised its effective tariff rates in August 1991 and in January and February of this year. The higher Polish tariffs have brought complaints from U.S. exporters of durum wheat, oilseeds, dried fruits, nuts, juices, vegetable seeds, and cotton. Some contracts for U.S. goods were reportedly broken due to the higher import barriers, a

result of Poland lifting suspensions and reductions in tariffs on some items that had been in place since mid-1990.

### ***Eastern Europe and Former Soviet Union Receiving EC Food Aid and Credit***

In other parts of Eastern Europe, the EC is negotiating association agreements with Bulgaria and Romania. The EC Commission proposed small increases in access for agricultural products, but nine of the EC members opposed any new import concessions. Greece reportedly fears competition in goat meat, while Germany objected to black cherries.

The EC and Bulgaria have agreed on a reform strategy to develop a market economy in the Bulgarian agricultural sector, which in recent years has received about 41 million ECU (\$56 million) in EC aid for restructuring. The main goals are definition of property rights, privatization of industry, and price and trade liberalization. Since 1991, Bulgaria has benefited from the Generalized System of Preferences (GSP), whereby the EC grants a tariff quota on specific commodities to developing countries.

France has extended export credit guarantees for 500,000 tons of wheat to Romania under the COFACE program. In December 1991, the Commission proposed GSP for Albania, recipient of 35 million ECU (\$48 million) in EC food aid in 1991/92. On May 10, 1992, the EC signed a trade, commercial, and economic cooperation agreement with Albania, offering technical assistance and research cooperation in agriculture. The political situation in the former Yugoslav republics would appear to favor only Slovenia for accelerated economic integration with the EC at this time.

Looking to the former Soviet Union, those republics on European soil, i.e. Latvia, Lithuania, Estonia, Ukraine, Belarus, and Moldova, could conceivably join the EC sometime in the 21st century. The Community has gone farthest towards welcoming the three Baltic states by signing trade, commercial, and economic cooperation agreements with them on May 10. In December 1991, the Commission proposed GSP for the Baltics in order to "contribute to the modernization of their economic systems by an increase of their exports." Except for niche products such as processed meats and fish, the concessions on market access for agricultural products are bound to be minimal. The Baltic states received 45 million ECU (\$62 million) in food aid in 1991/92.

In October 1992, the EC foreign ministers agreed to begin negotiating bilateral trade, commercial, and economic cooperation agreements with the former Soviet Republics, starting with Russia, Belarus, Ukraine, and Kazakhstan. Germany proposed a future free trade area between the EC and Russia, although this met with opposition from Portugal and France. Germany then called for GSP access for the countries of the Commonwealth of Independent States (CIS). It is uncertain whether the Russian Federation would be considered to have



enough of its population and territory on the European continent in order to attain full EC membership.

The EC has been offering large amounts of aid to Russia and the other republics, starting with a 750-million ECU (\$1.03 billion) food aid package approved in December 1990 and 400 million ECU (\$549 million) in technical assistance. The EC later extended 500 million ECU (\$686 million) in guaranteed credit for commercial food purchases, of which 90 million will go to the banks and 60 million to transport costs. Up to 25 percent of the EC credit can be used by Russia to purchase food from Czechoslovakia, Hungary, and Poland in the "triangular trade" arrangement.

In April, a consortium of French banks signed a 2.2 billion franc food credit with Russia. Of this, 2 billion francs are for purchasing 2 million tons of French cereals, a deal originally worked out with the USSR, with an additional 200 million francs for meat imports.

The EC and the CIS have agreed on a 1.25-billion ECU (\$1.7 billion) credit for food and medicine, with 50 percent of the credit available for triangular purchases. Cereals, sugar, and rice are among the products on the EC-approved list. In December 1991, the EC agreed to provide 195 million ECU (\$268 million) in food aid to ex-Soviet cities, including St. Petersburg, Moscow, Saratov, Chelyabinsk, and Nizhny Novgorod. This food was sold in public and private shops, with proceeds used to support the income of pensioners and others.

### ***Potential Members Feature Similar Products***

Ideally, enlarging membership would help solve the EC's oversupply problems by matching countries with complementary products. By bringing in EFTA and the Central European countries, the EC would be simply reinforcing its strength in cereals and livestock products. Generally, merging agricultural sectors with similar comparative advantage does not result in welfare gains. Adding the EFTA countries may help relieve the EC surpluses somewhat, but adding the Central European countries to a high price support regime could aggravate oversupply problems in the future, unless adequate supply control measures are adopted within the CAP. Regional aid to disadvantaged producers, whether those operating under harsh weather conditions in the Scandinavian countries, or Central European producers needing structural adjustment, could add to the budgetary support burden.

Southern EC members could enjoy expanded markets for certain products since the EFTA states and three new associate members do not produce citrus fruit, olives or tobacco. The progressive elimination of import quotas on these products in any new EC members could benefit the Mediterranean tier of the EC by providing free trade within a larger market, as long as consumption of Mediterranean products increases in Northern and Central European countries.

Comparing the EC's productive capacity with that of the countries having potential for admission provides a general idea of the size of competitor the U.S. would face in an expanded EC (tables 24.1-24.3). Some adjustment would be inevitable, both within the EC and for new members, in the event of EC enlargement. It is particularly important to recognize the depth of change occurring in the agricultural sectors of the Central European countries.

### ***EFTA Countries Would Need To Lower Support to Agriculture***

If, as expected, some or all of the EFTA countries are the first to be admitted, the effect on agricultural production would not be as great as with later admission of the larger Central European countries. In recent years, the EC has planted about 35 million hectares of cereals, compared to only about 4 million for the five potential EFTA countries (table 24.1). Most of the EFTA states are relatively efficient cereal producers. Crop yields in the EFTA countries, taken as a whole, would not significantly change the overall yield within the EC (table 24.2). Even the low cereal yields of Finland compare favorably to those of the Mediterranean countries of the EC. In the livestock sector (table 24.3), the EFTA countries are net exporters of dairy products, and importers of beef, pork, and poultry, particularly eggs in Austria and Switzerland. Farm size in Finland is equal to the EC average of 13 hectares, larger than Norway (10 ha), but smaller than Sweden (30 ha).

Though many of the economic benefits are already available through the EEA, formal accession to the EC would offer the EFTA countries full participation in Community decisionmaking. The tradeoff for increased decisionmaking power would be adjustment in the agricultural sector. In many of the EFTA countries, particularly Norway, Finland and Switzerland, the farming population is leading opposition to EC membership.

The level of government support for agriculture has generally been higher in the EFTA countries than the already high levels in the EC. Measured by Producer Subsidy Equivalents, support for all products during 1987-91 was over 30 percent higher in Finland, Norway, and Switzerland (figure 24.1). Support for agriculture represents about 4 percent of gross domestic product in Finland, as opposed to only 2 percent in the EC. The Swiss Farm Union estimates that full EC membership would reduce agricultural income 30-50 percent. The EFTA countries are nearest the level of EC support in the dairy sector, where incidentally the EC has one of its highest PSEs. The pork and poultry sectors could need the most adjustment, because the level of EC support is very low without price supports. For some commodities, such as beef and coarse grains in Austria, and sheepmeat, beef, and oilseeds in Sweden, the level of government support could actually rise to meet the EC levels.

All of the EFTA countries seeking membership in the EC also subsidize the consumption of agricultural products more than



Table 24.1: Comparison of area 1/

	Wheat	Coarse grains	Oilseeds
	-----Thou. hectares-----		
EC-12	16,851	19,581	5,575
Austria	276	664	77
Sweden	292	936	165
Norway	44	306	7
Finland	150	994	66
Switzerland	96	107	18
Czechoslovakia	1,244	1,206	204
Hungary	1,171	1,536	444
Poland	2,304	6,235	541
"New EC"	22,428	31,564	7,096

1/ 1989-91 average.

Source: USDA.

Table 24.2: Comparison of yields 1/

	Wheat	Coarse grains	Oilseeds
	-----Tons/hectare-----		
EC-12	5.08	4.47	2.29
Austria	4.97	5.61	2.33
Sweden	6.27	4.11	2.16
Norway	4.77	3.85	1.29
Finland	3.46	3.31	1.80
Switzerland	6.08	6.53	2.87
Czechoslovakia	5.24	4.64	2.35
Hungary	5.29	5.02	1.93
Poland	3.86	2.99	2.38
"New EC"	4.98	4.19	2.27

1/ 1989-91 average.

Source: USDA.

the Community. Measured by Consumer Subsidy Equivalents, subsidies for all food products during 1987-91 ranged from 15 percent more than in the EC in Austria to 42 percent more in Finland (figure 24.2). Some EFTA countries would need considerable adjustment of consumer policy in the cereals sector, i.e. raising the subsidized price of bread. All have much higher consumer subsidies for pork than the EC. On the other hand, consumers would benefit from lower food prices due to the decrease in producer support. Finnish food prices could fall as much as 65 percent under the EC system. In Switzerland, food prices are as much as 50 percent higher than in neighboring EC countries.

The overall effect of EFTA countries joining the CAP could be to absorb some of the EC surpluses. Cutting the current price support levels of the EFTA countries to those under CAP Reform should lead to some production declines, even more so if the EC plans further reforms of the CAP. Lower food prices would likely spur consumption in the EFTA countries, although institution of the EC's Value Added Tax may temper this effect. The EFTA countries are definitely in a better position to contribute to financing the CAP than are the Central European countries.

### ***Central European Countries, Still Undergoing Change, Could Compete in EC***

Adding Czechoslovakia, Hungary, and Poland to the EC would have a much greater impact on the CAP than the accession of the EFTA countries. In recent years, these Central European countries have planted almost 14 million hectares to cereals, and about 1.2 million hectares to oilseeds (one-fifth of the EC area planted).

The productive efficiency afforded by huge farms in Czechoslovakia and Hungary has produced cereal yields above the EC average, but well below those of the most efficient producers in the EC. In Czechoslovakia, almost all of the land was concentrated on state farms of nearly 9,000 hectares and collective farms of almost 2,500 hectares. In Hungary, the former state and collective farms accounted for about 83 percent of the land, averaging 361 hectares.

Poland, the largest historic producer of cereals among candidate countries, has quite small farms by EC standards. Private farms make up two-thirds of the arable land, but only 1 percent are as large as 10 hectares. Wheat and coarse grain yields in Poland are a third to a fourth lower than the prevailing EC average. In recent years, the Central European countries have been net exporters of livestock products, with Hungary particularly strong in pork and poultry products.

With adaptation to market economies still underway in the Central European countries, the agricultural sectors are viewed as critical to the competitive position of these countries. Land reform, price liberalization, and development of adequate marketing and distribution systems are factors that could make agriculture in these countries look very different by the time they are ready to join the EC. With the division of Czechoslovakia into two separate states, there is the possibility of eventual renegotiation of the Association Agreement, if only to allocate quota limits. Admittance for any of the Central European countries would, of course, depend on the success of EFTA entry.

### ***Expanded Membership May Entail Reform in Decisionmaking Structures***

With an EC membership approaching 20 countries, decision-making under existing rules may become unwieldy. Unanimous voting would inevitably be more difficult. The largest

Table 24.3: Livestock production for EC-12 and potential members 1/

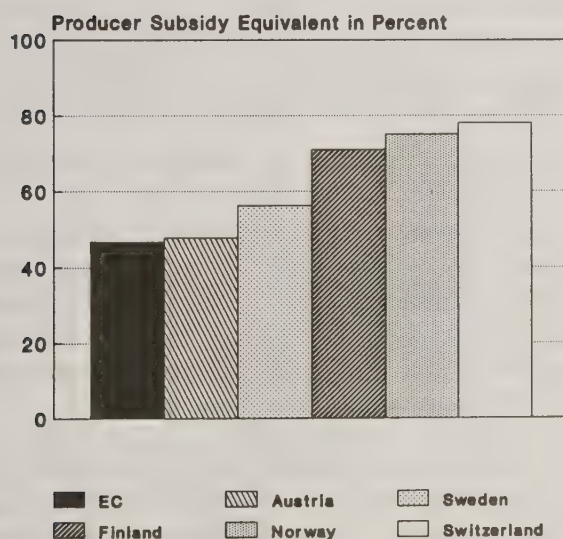
	Beef	Pork	Poultry	Butter	NFDM	Cheese
-----Thou. tons-----						
EC-12	7,030	12,029	6,202	2,196	1,745	5,060
Austria	222	405	78	41	27	87
Sweden	144	292	47	70	43	108
Norway	79	84	0	21	0	76
Finland	114	181	33	60	21	77
Switzerland	162	272	33	38	32	138
Czechoslovakia	444	932	212	155	70	147
Hungary	110	981	417	35	27	59
Poland	760	1,954	339	308	170	127
"New EC"	9,066	17,129	7,361	2,925	2,134	5,879

1/ 1989-91 average.

Source: USDA.

Figure 24.1

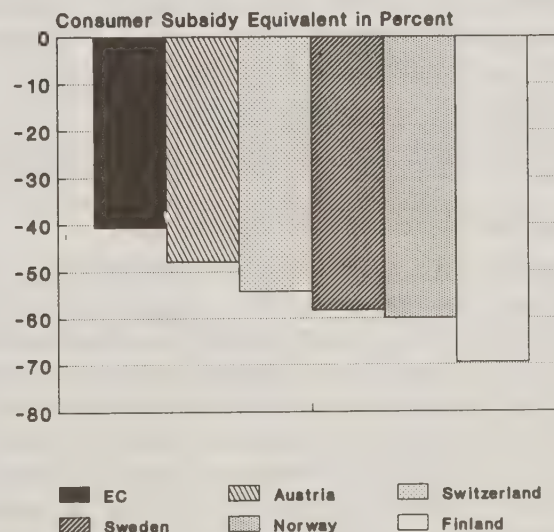
### Producer Support in EC and EFTA, 1987-91



PSEs measure the percentage of producer support due to government policies.  
Source: OECD.

Figure 24.2

### Consumer Subsidies in EC and EFTA, 1987-91



CSEs measure the cost of agricultural support to the consumer.  
Source: OECD.

countries (Germany, France, Italy, United Kingdom, and Spain) would see their relative voting power in agriculture decreased. The number of votes needed to form a blocking minority would increase, yet the voting process would become less dependent on the largest countries. The concept of the price package, in which the interests of agriculturally diverse countries are reflected in the balance between commodity prices, is not likely to change. The annual price-setting would therefore remain arduous and slow, unless the EC adopted a streamlined decisionmaking process in which agricultural

prices were weighed directly against spending options in other sectors.

The Maastricht treaty on European union also presents the contrasting dynamic of increasing responsibility for the EC, at the same time there has been discussion of reducing the size of the cabinet at the Commission. Agriculture may no longer occupy the sole focus of one Commissioner (MacSharry has had only the related dossier of Rural Development). Since 1988, the EC has been making a concerted effort to decrease the share of the budget devoted to agriculture (see



"Delors II" article). One report in May described replacing the Community's rotating presidency with a central EC executive headed by a president with widened powers.

Finally, enlarging the Community could give momentum to the movement to expand the powers of the EC Parliament, which could accelerate the deemphasizing of agriculture within the Community. Sharing decision-making could take agricultural spending out of the hands of the Council of Agriculture Ministers and lead to production decisions based more on the realities of supply and demand.

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# EC Counters Effects of Agriculture on the Environment

*The EC's Common Agricultural Policy (CAP) has had positive and negative environmental effects. Since the latter half of the 1970s, the Council of Agriculture Ministers has adopted a number of structural measures that seek to ameliorate and prevent some environmental damage. The 1992 CAP Reform agreement endeavors to make agricultural practices still more environmentally friendly.*

## The Environmental Costs of the CAP

The CAP's intervention system offering high commodity support prices has been an incentive to farmers to step up production by increasing yields at the expense of the environment. As shown in figure 25.1, EC wheat yields have almost doubled since the beginning of the CAP, while yields of the other major wheat exporters—Argentina, Australia, Canada, and the United States—have increased an average of less than 40 percent. The dramatic increase in EC yields has been obtained in part by intensive use of pesticides and fertilizers, particularly in the densely populated countries of Ireland, the Netherlands, and Belgium-Luxembourg (figure 25.2). Similarly, subsidies to the livestock sector have contributed to an increased intensity of production and accompanying waste disposal problems. Such intensive farming practices have led to contaminated surface and ground water and threatened soil quality in the Community. Increased health risks and high resource treatment and replacement costs have resulted.

## EC Measures Promote Environmentally Friendly Farm Practices

Reflecting heightened Community concern over the environmental degradation caused by intensive farming, the EC's Agriculture Council of Ministers approved a number of struc-

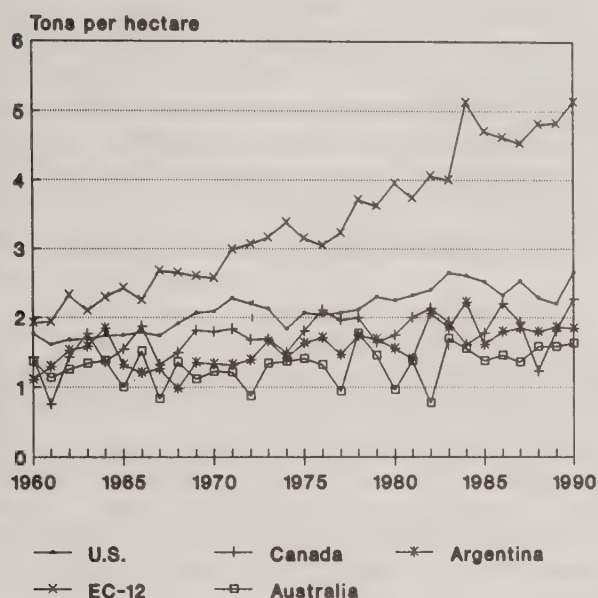
tural measures between 1975 and 1991 to make agricultural practices more compatible with the environment. The measures included assistance for mountain and hill farming and for farming in less favored areas, as well as funding for set-aside schemes, extensification, environmentally sensitive areas, and afforestation.

As early as 1975, the Community sought to maintain agricultural activity in order to conserve the natural habitat, especially the soil. A directive defining less-favored agricultural areas needing assistance in order to maintain farming was also directed at protecting the countryside. These areas included the less fertile areas and mountain and hill areas where under-use or abandonment of farmland can cause fires, avalanches, mud slides, rapid erosion, and desertification. The directive offered farmers in these areas an annual compensatory allowance to offset their higher production costs. Currently, these areas represent 52 percent of the Community and cover most of the Mediterranean regions, plus Ireland, Wales, and Scotland.

A second structural measure—set-aside—was introduced in 1985 but not implemented until 1988. Designed primarily as a supply control tool, the scheme has had some positive environmental benefits. With partial financing from the EC,

Figure 25.1

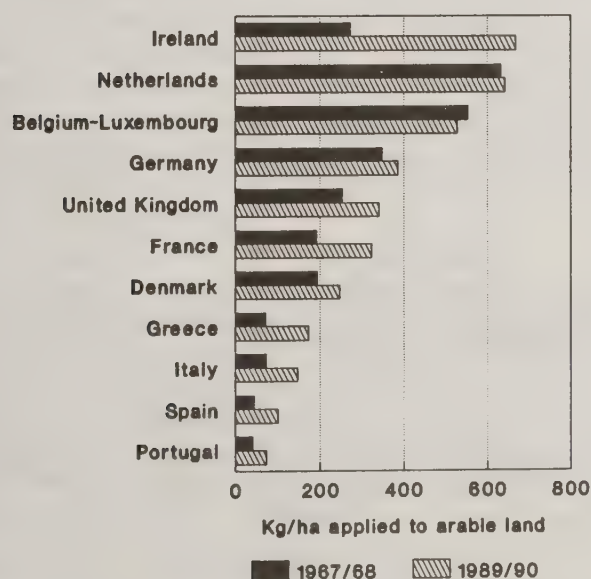
## EC Wheat Yields Outstrip Competitors'



Source: USDA.

Figure 25.2

## Intensive EC Production Reflected in High Fertilizer Use



Source: FAO Fertilizer Yearbook.

the member states compensate those farmers who take at least 20 percent of their crop-producing or arable land out of production for at least 5 years. Member states must ensure that the agricultural land withdrawn from production is maintained with a view to protecting the environment.

However, there exist several reasons why the set-aside program cannot be viewed as truly protecting the environment. The 5-year duration of set-aside grants is too short to encourage the longer term uses of set-aside land that are of greater public utility and more in line with the requirements of the environment. In addition, there is some concern that the land remaining in production will be farmed still more intensively as fixed inputs are shifted away from the set-aside areas. As of 1990 less than 4 percent of the set-aside land had been afforested. Furthermore, insufficient financial incentives and the admitted EC failure to properly promote the program led to less than 1 percent of the EC's arable area being set aside under this program in 1990/91.

A third structural measure known as extensification was approved in 1987. Through lower output, the plan seeks to reduce fertilizer, pesticide, and machinery inputs and promote less intensive animal husbandry. The scheme requires farmers to reduce output of livestock products or arable crops by at least 20 percent for 5 years. Member states are responsible for implementing their national extensification schemes and for determining the conditions for granting aid to producers. Pilot extensification projects began in 1989 but were limited primarily to beef and wine. The scheme operates in parallel with the arable set-aside scheme.

As with the set-aside scheme, problems exist with the extensification program. The required 20-percent reduction in output is viewed as being too high, and as of October 1990, the scheme had only been implemented by 4 member states—Denmark, France, Italy, and Belgium. In addition, the program is primarily aimed at crops in surplus rather than being widely available to producers of all agricultural goods.

A fourth structural measure, introduced in 1985, is a voluntary system of national aid for environmentally sensitive areas (ESAs). Member states determine the areas qualified for aid and compensate farmers in ESAs who for at least 5 years voluntarily pursue environmentally friendly practices. These practices include suspending farming to ensure wildlife survival, reducing fertilization and pesticide treatment of crops, reducing livestock density, and restricting mowing and plowing. However, even with increased EC aid to supplement state aid, only about a third of the member states have implemented ESA schemes.

The Council of Ministers passed a fifth structural measure in 1991 to promote forest growth on agricultural holdings. Under Article 25 of Regulation 2328/91, member states may grant aid for the afforestation of agricultural land to farmers, other individuals, forestry associations or cooperatives, or other bodies which afforest agricultural land. The EC will help fund the premium paid to the farmer for a maximum of 20 years from the initial afforestation.



Table 25.1: The CAP Reform increases Community funding for environmental protection

Extensification & environmentally sound production practices 1/		
Market support crops	ECU/ha	150
Other annual crops & pasture	ECU/ha	250
Livestock 2/	ECU/lu reduction	210
Specialized olive groves	ECU/ha	400
Citrus	ECU/ha	1,000
Other perennial crops and wine	ECU/ha	700
Upkeep of abandoned land	ECU/ha	250
20-year environmental set-aside	ECU/ha	600
Education and training	ECU/person	2,500

1/ Examples include greater use of rotation and fallow as well as management for public access and recreation. Farmers are eligible to receive aid under more than one undertaking up to a maximum of 350 ECU/ha of annual crops or pasture.

2/ Farmers reducing their herd size are not eligible for extensification aids on their forage area, but may receive up to 50 percent of the aids for other environmental protection measures.

Source: Agra Europe and Commission of the European Communities.

Table 25.2: Financial aids cover afforestation and maintenance costs

Assistance for afforestation costs		
Conifers & eucalyptus	ECU/ha	3,000
Broadleaves	ECU/ha	4,000
Reimbursement of annual maintenance costs		
Conifers & eucalyptus		
- first 2 years	ECU/ha/yr	250
- subsequent years	ECU/ha/yr	150
Broadleaves		
- first 2 years	ECU/ha/yr	500
- subsequent years	ECU/ha/yr	300

Source: Agra Europe and Commission of the European Communities.

Table 25.3: Investment aids rise for improvements to existing woodlands

Woodland improvement & provision of shelterbelts	ECU/ha	700
Renovation & improvement of cork oak stands	ECU/ha	1,400
Forest roads	ECU/km	18,000
Firebreaks & waterpoints	ECU/ha woodland	150

Source: Commission of the European Communities.

## **CAP Reform and Environmental Protection**

The MacSharry proposals for reforming the Common Agricultural Policy introduced in July 1991 pushed still further for the adoption of environmentally friendly farming practices. And to the surprise of many observers, the environmental provisions of MacSharry's proposals passed largely intact to become part of the final CAP Reform package agreed to in May 1992. Essentially three aspects of the CAP Reform are expected to have direct environmental benefits: the move away from high price supports toward direct payments, the extension and increased subsidization of a variety of environmental protection programs, and the introduction of a new afforestation program.

The 33-percent reduction in EC grain price supports is expected to reduce input use because the compensating direct payments will be based on historical rather than current yields. Farmers will only have the incentive to apply pesticides and fertilizers to the point where marginal cost equals the reduced market price which will prevail under the reform, in effect making sure they save at least the compensatory payment as profit.

A variety of programs are included in the accompanying measures to the CAP Reform labeled environmental protection and maintenance of the countryside. Table 25.1 lists the financial aids available for the adoption of extensification and other environmentally friendly production practices, the upkeep of abandoned land, participation in a 20-year set-aside with creation of natural biotopes or use as nature parks, and farmer education and training in environmentally compatible farming. The Commission estimates that participation in the first three of these programs will affect 11.6 million hectares, or approximately 9 percent of utilized agricultural area by 1997 if the programs are 60-percent financed by the Community and 40-percent financed by the member states. EC spending on these programs would then total 920 million ECU (\$1.3 billion) in 1997.

The new afforestation program is intended to provide a commercially viable alternative use for land. The program will help prevent the abandonment of agricultural land with the consequent risks of landscape erosion and deterioration. The scheme offers assistance for afforestation and maintenance costs (table 25.2). If the afforestation is undertaken by a farmer, he is also eligible for income compensation of 600 ECU (\$823) per hectare per year for up to 20 years. Other parties participating in the program will receive income compensation of only 150 ECU (\$206) per hectare per year. Additional aids offered for woodlands improvement appear in table 25.3. Under the initial MacSharry proposal with a higher payment of 2,000 ECU (\$2,744) per hectare for conifer afforestation costs, the program was estimated to cost 202 million ECU (\$277 million) by 1997. It is assumed that with the Community providing 60 percent financing, participants will apply for afforestation and woodland improvement cost

reimbursements on 100,000 hectares, and 344,000 hectares will qualify for reimbursement of maintenance costs and loss of income payments.

The desire to make agriculture more environmentally acceptable is costly for the member states and the EC. Despite Community co-financing, only a limited number of states have adopted the existing structural schemes because of their high cost. The MacSharry proposals and subsequent CAP Reform agreement attempt to address these problems by reducing market price supports and by increasing Community funding for extensification and other environmentally favorable farming practices and for afforestation of agricultural land.

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## Timetable of European Economic Integration

1952: European Coal and Steel Community established by Belgium, France, Italy, Luxembourg, Netherlands, West Germany.

1957: European Economic Community and European Community for Atomic Energy set up by the Six.

1962: European Commission outlines goal of Economic and Monetary Union (EMU).

1969: Summit at the Hague begins practice of regular meetings by the heads of state and government of EC member states.

1970: Werner Plan sets goal of EMU by 1980.

1972: The European Common Margins Agreement establishes the "snake" of currencies linked via an adjustable peg system.

1973: Denmark, Ireland, and the United Kingdom join EC. Bretton Woods system ceases to be in effect.

1979: Institution of the European Monetary System (EMS) with a formal agreement for currency market intervention under the Exchange Rate Mechanism.

1981: Greece joins the EC.

1986: Spain and Portugal join the EC.

1987: Single European Act places goal of EMU in EC primary law.

1989: Report of the Delors Committee.

1990: "First stage" of EMU, featuring capital mobility, is achieved. German unification. U.K. becomes full member of EMS. Intergovernmental conferences on EMU and political union start.

1991: Member states agree on Maastricht Treaty on European Union. Main features are commitment to economic and monetary union, as well as political union.

1992: Formal signing of Maastricht Treaty. Start of ratification process.

1993: Anticipated completion of Single Market without internal borders.

1994: "Second stage" of EMU to start, with creation of European Monetary Institute for enhanced coordination of monetary policy.

1999: By this date at the latest, "third stage" of EMU would permanently fix exchange rates for EC countries meeting criteria of economic convergence.

## Progress on Ratification of Maastricht Treaty

**Belgium:** Treaty approved in lower house in July. Approved in Senate.

**Denmark:** Voters narrowly rejected accord June 2. New referendum likely in May 1993, with a special protocol with opt-out clauses on a single currency, common security and foreign policy.

**France:** Narrowly approved in referendum September 20.

**Germany:** Approved by Bundestag and Bundesrat in December.

**Greece:** Parliament approved treaty August 1.

**Ireland:** First country to approve treaty in referendum June 18.

**Italy:** Treaty approved by Senate in September and by Chamber of Deputies in October.

**Luxembourg:** Treaty approved by Parliament July 2.

**Netherlands:** Treaty ratified by Parliament in December.

**Portugal:** Ratified by Parliament in December.

**Spain:** Lower house approved treaty in October. Upper house approved in November.

**U.K.:** Parliament to debate treaty into 1993.



## List of Text Tables

Table	Page
2.1. EC agricultural prices, 1991/92 and 1992/93 .....	12
2.2. Effect of 1992/93 price decisions on support prices for agricultural products .....	13
3.1. Expenditure from the European Agricultural Guidance and Guarantee Fund - Guarantee Section .....	15
3.2. Total transfers arising from EC agricultural policies .....	16
5.1. U.S. agricultural fiscal year imports to the EC-12 .....	23
5.2. U.S. agricultural fiscal year exports from the EC-12 .....	24
6.1. EC-12 intervention and buying-in prices for grains, 1992/93 .....	26
6.2. EC grain intervention balance sheet by product, 1991/92 .....	28
6.3. EC grain intervention balance sheets by country, 1991/92 .....	28
6.4. Reduction in grain support prices under CAP reform .....	29
6.5. EC set-aside of arable land .....	30
7.1. EC rapeseed production .....	32
7.2. EC sunflowerseed production .....	32
7.3. EC soybean production .....	32
7.4. EC oilseed MGA and 1992 area .....	33
8.1. Protein crop payments under current system .....	35
8.2. Protein crop payment under CAP reform .....	35
9.1. EC beef balance sheet quotas .....	36
12.1. EC milk quota, 1992/93 .....	44
13.1. Distribution of sugar and isoglucose quotas .....	47
14.1. EC total wine production .....	50
14.2. EAGGF support for wine .....	52
14.3. Grubbing-up of vineyards .....	52
15.1. Tobacco quotas, 1996 .....	54
17.1. Calculation of oilseeds payment .....	63
17.2. Regional payment calculation example .....	64
17.3. Comparison of oilseed producer returns, historical and under new program .....	64
19.1. EC banana suppliers .....	69
19.2. EC retail banana prices in 1990 .....	70
19.3. Per capita consumption of bananas .....	70
20.1. Changes in CAP prices since 1980 .....	73
22.1. Proposed agricultural guideline, 1993-97 .....	80
22.2. Net contributors to EC budget .....	81
24.1. Comparison of area for EC-12 and potential members .....	90
24.2. Comparison of yields for EC-12 and potential members .....	90
24.3. Livestock production for EC-12 and potential members .....	91
25.1. The CAP reform increases Community funding for environmental protection .....	94
25.2. Financial aids cover afforestation and maintenance costs .....	94
25.3. Financial aids rise for improvements to existing woodlands .....	94

# List of Text Figures

Figure	Page
1.1. EC growth of real GDP, 1991 .....	7
1.2. Other Western Europe growth of real GDP, 1991 .....	7
1.3. EC consumer prices, 1991 .....	7
1.4. Other Western Europe consumer prices, 1991 .....	7
1.5. EC unemployment rates, 1991 .....	8
1.6. Other Western Europe unemployment rates, 1991 .....	8
1.7. EC current account balances, 1991 .....	8
1.8. Other Western Europe current account balances, 1991 .....	8
1.9. Value of U.S. dollar in ECUs, 1975-92 .....	9
1.10. Value of the U.S. dollar in ECUs, monthly 1991-1992 .....	9
3.1. Trends in economic indices for the EC-12 .....	16
4.1. Change in farm income, 1991 .....	19
4.2. EC-12 agricultural income .....	19
5.1. U.S.-EC agricultural trade .....	21
6.1. Drought reduces grain yields in Germany, Denmark, Spain & Portugal .....	25
8.1. EC production of protein crops .....	35
9.1. EC-12 beef and veal production and consumption .....	36
9.2. EC-12 beef producer price .....	37
9.3. EC beef intervention stocks .....	37
10.1. EC-12 pork supply and use .....	39
10.2. EC-12 turkey supply and use .....	39
10.3. EC trade in broiler meat .....	40
11.1. EC-12 lamb prices .....	41
11.2. EC-12 lamb production and consumption .....	41
12.1. EC butter supply and use .....	43
12.2. EC disappearance of nonfat dry milk .....	43
12.3. EC cheese supply and use .....	43
12.4. Milk production in Italy during EC dairy quota .....	45
13.1. EC-12 sugar production and consumption .....	47
13.2. EC sugar expenditures and revenues .....	49
14.1. EC wine production .....	51
14.2. EC wine consumption, 1989-90 .....	51
14.3. EC wine exports to selected regions .....	51
15.1. EC tobacco expenditure .....	54
17.1. EC rapeseed price and production .....	61
17.2. EC soybean imports .....	62
17.3. EC soybean meal imports .....	62
22.1. Projected CAP spending, 1993-97 .....	80
23.1. Finland's trade, 1991 .....	86
24.1. Producer support in EC and EFTA, 1987-91 .....	91
24.2. Consumer subsidies in EC and EFTA, 1987-91 .....	91
25.1. EC wheat yields outstrip competitors' .....	93
25.2. Intensive EC production reflected in high fertilizer use .....	93



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# Glossary

*African, Caribbean, and Pacific States (ACPs).* Countries participating in the Lomé Convention that regulates economic relations between these countries and the European Community.

*Aggregate measure of support.* Countries use a wide array of trade and domestic policies to intervene in their agriculture sectors, making it difficult to compare the effects of these policies among countries. Aggregate measures have been developed to qualify the effects of policies to facilitate comparisons. Usually expressed in percent terms, they include the Nominal Rate of Protection, Effective Rate of Protection, the Producer Subsidy Equivalent, and others.

*Common Agricultural Policy (CAP).* The unified farm policy applied by EC members. The CAP deals with agricultural prices, structural improvements to agriculture, and internal and external agricultural trade.

*Common Customs Tariff (CCT).* The EC's list or schedule of articles of merchandise with the rate of duty to be paid for their importation from nonmember or "third" countries.

*Coreponsibility Levy.* A levy on producers which reduces the price they receive in order to contribute to covering the cost of the price guarantees offered under the CAP. These are used for cereals, sugar and dairy products, among others.

*European Agricultural Guidance and Guarantee Fund (EAGGF).* The EC's budget for the Common Agricultural Policy, it includes funding for market support (guarantee) and structural and regional policies (guidance).

*European Community (EC).* Also referred to as the Community. An economic customs union originally composed of six members—Belgium, Luxembourg, France, Italy, West Germany, and the Netherlands. Denmark, Ireland, and the United Kingdom (UK) joined the EC January 1, 1973, Greece joined January 1, 1981. EC-10 refers to the Community of 10 members, before the accession of Spain and Portugal in 1986, EC-12 refers to the present Community of 12.

*European Currency Unit (ECU).* The core of the EMS, the ECU serves as the monetary denominator for the exchange rate, credit, and intervention mechanisms of the EMS. On April 9, 1979, the ECU became the standard value for transactions within the CAP including the determination of support prices, import levies, and export subsidies. The value of the ECU is calculated from a weighted basket of 10 member currencies and equal to an average of \$1.2817 for January-July 1992. This report uses the September 1992 exchange rate, as reported by the Federal Reserve, of \$1.3722 per ECU. This report also applies the *switchover coefficient* of 1.157346 to convert policy prices to market prices for farmers.

*European Economic Area (EEA).* The EC and the countries of EFTA concluded negotiations to create a European Economic Area, permitting the full implementation of the "four freedoms"—the free movement of goods, services, labor, and capital—within their territories. Formal negotiations on the EEA began in June 1990, and the EEA is to go into effect in 1993 once EFTA countries have ratified the treaty.

*European Free Trade Area.* A free trade area for industrial goods formed in 1960. Current EFTA members are Finland, Iceland, Norway, Austria, Switzerland, Sweden, and Liechtenstein.

*European Monetary System (EMS).* A common monetary arrangement for the Community, implemented in March 1979. It includes credit mechanisms and compulsory intervention to ensure greater stability of European exchange rates.

*General Agreement on Tariffs and Trade (GATT).* An agreement negotiated in 1947 among 23 countries, including the United States, to increase international trade by reducing tariffs and other trade barriers. In 1992, 108 countries are contracting parties to the GATT.

*Green currency (e.g., green pound, green lira).* Indicates the use of green (agricultural) rates of exchange for CAP purposes.

*Green rate of exchange.* The exchange rate used to convert ECU into national currencies (and vice versa) in all financial and commercial transactions covered by the CAP. The *switchover coefficient* represents the aggregate distortion between official exchange rates and green rates.

*Guide or Target Price.* A price guideline set annually by the EC that indicates the price which is considered desirable for producers to receive under normal market conditions. The *intervention price* is normally set as a percentage of the guide price, and an adjusted version of this price, the *buying-in price*, is the price at which intervention purchases are actually made.

*Inward processing system.* An arrangement that permits EC manufacturers of a processed good to import a third country's raw materials, free of duties, levies, and MCAs, provided the processed product is exported within 6 months.

*Maximum guaranteed quantity (MGQ).* Production ceilings beyond which automatic price cuts (stabilizers) go into effect.

*Monetary compensatory amounts (MCAs).* Border taxes or subsidies that offset the divergence between the green rate of exchange and the actual market rate of exchange. For those countries in which currencies have depreciated, MCAs (negative MCAs) act as subsidies on imports and taxes on exports.



For those countries in which currencies have appreciated, MCAs (positive MCAs) act as taxes on imports and subsidies on exports.

*Producer subsidy equivalent (PSE).* An aggregate measure of support or protection that estimates the portion of producer gross revenues that can be attributed to the effects of government programs, expressed in percentage terms. The *Consumer Subsidy Equivalent* is the corresponding aggregate measure of the implicit tax on or transfer to consumers by agricultural policy.

*Schengen Agreement.* An agreement lifting the controls on the movement of individuals between the nine EC signatory countries. Belgium, France, Germany, Greece, Italy, Luxembourg, the Netherlands, Portugal, and Spain have signed the agreement.

*Section 301.* This section of the Trade Agreements Act of 1974 (amended) provides authority to respond to unfair trade practices that restrict U.S. trade by countries who have signed trade agreements with the United States. Responses may include rescinding trade concessions or imposing compensatory duties or fees on products imported from the country engaging in unfair trade practices.

*Set-aside.* A mechanism for limiting supply by removing agricultural land from production.

*SLOM producers.* A decision by the European Court in 1989 ruled that farmers who had temporarily given up milk production in a program in force when the dairy quota came into effect in 1984 were eligible to receive a special reference quantity based on the addition of 600,000 tons to the EC's reserve (see EC Regulations No. 764/89 and No. 766/89).

*Slacht en omschakeling* is Dutch for slaughter and herd conversion.

*Stabilizers.* Automatic price cuts implemented when production of grains, oilseeds, and other products exceeds specified ceilings, called maximum guaranteed quantities (MGQs).

*Tariffication.* The conversion of non-tariff barriers to tariff equivalents.

*Threshold price.* A minimum import price set by the EC under the CAP for certain commodities, equal to the target price less transportation costs to the EC region identified as the most deficit area. Certain imports from nonmember countries are subject to a levy that is equal to the difference between the threshold price and the minimum world price at EC ports.

*Unit of account (U.A.).* Prior to April 9, 1979, the standard value used by the EC for transactions within the CAP. In mid-March 1979, the agricultural unit of account was equal to about \$1.60. A different unit, called the European unit of account (EUA), was introduced in 1975. Its value in relation to the dollar is announced daily, and it is generally worth more than the agricultural unit of account.

*Units of measure.* The metric system is used in this report, unless otherwise indicated. The following are conversions to the U.S. system of weights and measures: 1 hectare, 2.471 acres; 1 metric ton, 2204.6 pounds; 1 kilogram, 2.2046 pounds; 1 liter, 1.0567 quarts; and 1 hectoliter, 26.418 gallons.

*Value-added tax (VAT).* A tax levied by each EC member country on domestic consumption. Prior to 1988 agreements by EC heads of state, EC member country contributions to the EC budget were 1.4 percent of the VAT base.

# List of Appendix Tables

Appendix Tables	Page
1. Gross Domestic Product, 1980-1991.....	104
2. Consumer Prices, 1980-1991 .....	104
3. Unemployment rates, 1988-92.....	105
4. Balance of payments on current account, 1988-92.....	105
5. Exchange rates: Western European currencies, 1988-92 .....	106
6. European Currency Unit (ECU) exchange rates, 1988-92 .....	106
7. Monthly and annual US\$/ECU exchange rates.....	107
8. Population, 1980-1991.....	107
9. Comparison of PSEs for various commodities in the EC, USA, and EFTA countries.....	108
10. Comparison of CSEs for various commodities in the EC, USA, and EFTA countries .....	109
11. Total transfers associated with agricultural policies .....	110
12. EC agricultural policy prices, 1988/89-1992/93 .....	111
13. EC monthly threshold prices for grains .....	113
14. Cumulative monthly increments to EC cereal support prices .....	113
15. EC open market refunds for wheat and barley, 1991/92.....	114
16. Agricultural conversion (green) rates for selected commodities, 1988/89-1992/93 .....	115
17. Switchover coefficients to convert to green ECUs .....	116
18. European Agricultural Guidance and Guarantee Fund (EAGGF) guarantee expenditures, 1983-92.....	117
19. Set-aside of arable land-five year scheme .....	118
20. Set-aside of arable land-one year scheme .....	119
21. Main crop areas in the EC .....	120
22. Supply and use of wheat in Western Europe, 1988-92 .....	122
23. Supply and use of corn in Western Europe, 1988-92 .....	124
24. Supply and use of barley in Western Europe, 1988-92.....	126
25. Supply and use of rye in Western Europe, 1988-92 .....	128
26. Supply and use of coarse grains in Western Europe, 1988-92 .....	130
27. Supply and use of total grains in Western Europe, 1988-92.....	132
28. Supply and use of rapeseed in Western Europe, 1988-92.....	134
29. Supply and use of sunflowerseed in Western Europe, 1988-92 .....	136
30. Supply and use of soybeans in Western Europe, 1988-92.....	138
31. Supply and use of total oilseeds in Western Europe, 1988-92 .....	140
32. Supply and use of sugar in Western Europe, 1988-92.....	142
33. Supply and use of beef and veal in Western Europe, 1988-92.....	144
34. Supply and use of pork in Western Europe, 1988-92 .....	146
35. Supply and use of lamb, mutton, and goat in Western Europe, 1988-92.....	148
36. Supply and use of poultry in Western Europe, 1988-92 .....	150
37. Supply and use of fluid milk in Western Europe, 1988-92.....	152
38. Supply and use of butter in Western Europe, 1988-92 .....	154
39. Supply and use of cheese in Western Europe, 1988-92 .....	156
40. Supply and use of nonfat dry milk in Western Europe, 1988-92 .....	158
41. Supply and use of eggs in Western Europe, 1988-92 .....	160
42. EC production of compound feed by category, 1980-91.....	162
43. EC imports of non-grain feeds, 1982-1990 .....	163
44. Agricultural imports by country, European Community and Other Western Europe, 1988-90 .....	164
45. Agricultural exports by country, European Community and Other Western Europe, 1988-90.....	168



Appendix table 1: Real gross domestic product for Western Europe, 1980-91

Country	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
-----Billion 1985 national currency-----												
European Community	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Belgium 1/	4,649	4,605	4,642	4,659	4,764	4,793	4,888	5,010	5,255	5,467	5,651	5,741
Denmark	540	535	551	565	590	615	638	639	647	652	664	672
France	4,359	4,410	4,522	4,553	4,613	4,700	4,818	4,927	5,149	5,360	5,480	5,544
West Germany	1,743	1,745	1,726	1,758	1,812	1,838	1,877	1,903	1,970	2,046	2,142	2,210
Greece 1/	4,321	4,324	4,341	4,359	4,478	4,618	4,693	4,662	4,851	5,019	5,012	5,102
Ireland 1/	16	16	17	17	17	18	18	19	19	21	22	22
Italy	755,610	759,610	761,610	758,610	789,590	810,580	833,570	859,550	894,540	922,520	940,510	955,330
Luxembourg	181	180	182	188	199	205	215	221	233	248	254	260
Netherlands 1/	398	396	390	395	408	418	427	431	443	461	478	483
Portugal 1/	3,378	3,420	3,492	3,485	3,421	3,524	3,676	3,863	4,017	4,238	4,424	4,479
Spain	26,341	26,276	26,596	27,076	27,563	28,201	29,125	30,768	32,358	33,899	35,123	35,954
United Kingdom	325	321	325	338	343	356	370	387	404	413	417	408
Austria	1,263	1,260	1,273	1,298	1,316	1,348	1,364	1,387	1,442	1,496	1,566	1,613
Finland	290	295	305	315	324	335	342	356	375	395	397	373
Iceland	106	110	112	106	110	114	121	133	132	131	132	134
Norway	424	428	429	446	463	500	521	531	529	531	540	550
Sweden	791	783	792	814	847	866	885	906	931	951	954	947
Switzerland	213	216	214	216	220	228	235	239	246	256	261	260
United States	3,564	3,627	3,549	3,687	3,915	4,039	4,156	4,284	4,453	4,566	4,603	4,432

1/ 1991 estimate from DRI.

Source: International Monetary Fund. International Financial Statistics; DRI/McGraw-Hill. "World Markets Executive Summary."

Appendix table 2: Consumer prices, 1980-91

Country	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
-----Index-----												
European Community 1/	67.7	75.3	82.6	88.8	94.5	100.0	103.1	106.3	110.1	115.7	122.0	128.0
Belgium	71.2	76.6	83.3	89.7	95.4	100.0	101.3	102.9	104.1	107.3	111.0	114.6
Denmark	68.3	76.3	84.1	89.9	95.5	100.0	103.7	107.8	112.7	118.1	121.2	124.1
France	63.3	71.8	80.3	88.0	94.6	100.0	102.5	105.9	108.8	112.6	116.4	120.0
West Germany	82.7	87.9	92.5	95.6	97.9	100.0	99.9	100.1	101.4	104.2	107.0	110.7
Greece	39.1	48.7	58.9	70.8	83.8	100.0	123.0	143.2	162.5	184.8	222.5	265.9
Ireland	56.1	67.5	79.1	87.4	94.9	100.0	103.8	107.1	109.4	113.8	117.6	121.4
Italy	51.8	61.9	72.1	82.6	91.6	100.0	105.8	110.8	116.5	123.8	131.7	140.1
Luxembourg	70.8	76.5	83.7	90.9	96.1	100.0	100.3	100.2	101.7	105.1	109.0	112.4
Netherlands	81.5	87.0	92.1	94.7	97.8	100.0	100.1	99.4	100.1	101.2	103.7	107.7
Portugal	35.2	42.2	51.8	64.8	83.8	100.0	111.7	122.2	133.9	150.8	170.9	190.3
Spain	56.2	64.4	73.6	82.6	91.9	100.0	108.8	114.5	120.0	128.2	136.8	144.9
United Kingdom	70.7	79.1	85.9	89.8	94.3	100.0	103.4	107.7	113.0	121.8	133.4	141.2
Other Western Europe 1/	71.4	78.3	84.3	89.6	95.0	100.0	103.3	107.4	112.1	117.6	125.1	132.3
Austria	78.8	84.2	88.8	91.7	96.9	100.0	101.7	103.1	105.1	107.8	111.3	115.0
Finland	66.3	74.3	81.4	88.2	94.5	100.0	102.9	107.1	112.6	120.0	127.3	132.6
Iceland	14.0	21.1	31.9	58.8	75.9	100.0	121.9	143.5	180.5	218.0	251.8	268.9
Norway	64.9	73.8	82.1	89.0	94.6	100.0	107.2	116.5	124.3	130.0	135.4	140.0
Sweden	65.0	72.9	79.2	86.2	93.1	100.0	104.2	108.6	114.9	122.3	135.1	147.8
Switzerland	81.1	86.3	91.2	93.9	96.7	100.0	100.8	102.2	104.1	107.4	113.2	119.8
Western Europe 1/	68.1	75.7	82.8	88.9	94.6	100.0	103.1	106.5	110.4	115.9	122.4	128.6
United States	76.6	84.5	89.7	92.6	96.6	100.0	101.9	105.7	109.9	115.2	121.4	126.6

1/ Estimates are the sum of the individual country's index weighted by the country's GDP share.

Source: International Monetary Fund. International Financial Statistics.

Appendix table 3: Unemployment rates, 1980-91

Country	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
Percent												
European Community 1/	6.2	7.8	9.0	10.1	10.8	10.9	10.9	10.6	10.0	9.0	8.4	8.8
Belgium	7.9	10.2	11.9	13.2	13.2	12.3	11.6	11.3	10.3	9.3	8.7	9.3
Denmark	7.0	9.2	9.8	10.4	10.1	9.0	7.8	7.8	8.6	9.3	9.5	10.4
France	6.3	7.5	8.2	8.4	9.8	10.2	10.4	10.5	10.0	9.4	8.9	9.4
West Germany	2.5	3.4	5.0	6.6	7.1	7.1	6.4	6.2	6.2	5.6	4.9	4.3
Greece	2.8	4.0	5.8	7.8	8.1	7.8	7.4	7.4	7.6	7.4	7.0	8.2
Ireland	7.3	9.9	11.4	14.0	15.5	17.4	17.4	17.5	16.7	15.6	13.7	15.8
Italy	7.7	8.5	9.2	10.0	10.1	10.2	11.2	12.1	12.2	12.1	11.1	11.0
Luxembourg	0.7	1.0	1.3	1.6	1.7	1.6	1.4	1.6	1.4	1.3	1.3	1.4
Netherlands	4.1	6.3	8.8	11.2	11.2	10.0	9.2	8.7	8.3	7.4	6.4	5.9
Portugal	8.0	7.7	7.5	7.9	8.6	8.7	8.6	7.1	5.7	5.0	4.7	4.1
Spain	11.5	14.3	16.4	18.2	20.1	21.5	21.0	20.5	19.5	17.3	16.3	16.3
United Kingdom	6.1	9.1	10.4	11.2	11.4	11.6	11.8	10.4	8.2	6.2	5.9	8.3
Other Western Europe 1/	1.7	2.0	2.5	2.9	2.9	2.6	2.4	2.4	2.4	2.3	2.5	3.7
Austria	1.6	2.2	3.1	3.7	3.8	3.6	3.1	3.8	3.6	3.1	3.3	3.7
Finland	4.7	4.9	5.4	5.4	5.2	5.0	5.4	5.1	4.5	3.5	3.5	7.6
Iceland	0.3	0.4	0.7	1.0	1.3	0.9	0.6	0.5	0.6	1.6	1.8	1.7
Norway	1.7	2.0	2.7	3.4	3.2	2.6	2.0	2.1	3.2	4.9	5.2	5.5
Sweden	1.6	2.1	2.6	2.9	2.6	2.4	2.2	1.9	1.6	1.4	1.5	2.7
Switzerland	0.2	0.2	0.4	0.8	1.0	0.8	0.7	0.6	0.7	0.6	0.6	1.3
Western Europe 1/	5.6	7.1	8.2	9.2	9.8	9.8	9.8	9.6	9.0	8.2	7.7	8.2
United States	7.2	7.6	9.7	9.6	7.5	7.2	7.0	6.2	5.5	5.3	5.5	6.7

1/ Estimates are the sum of the individual country unemployment rates weighted by country's GDP share.

Source: Organization for Economic Cooperation and Development. OECD Economic Outlook. No. 51, Paris, June 1992.

Appendix table 4: Balance of payments on current accounts, 1980-91

Country	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
Billion U.S. dollars												
European Community	-40.54	-18.91	-16.97	9.20	11.48	18.94	50.53	35.82	30.15	6.01	-9.87	-65.10
Belgium/Luxembourg	-4.93	-4.17	-2.59	-0.50	-0.06	0.69	2.95	2.79	3.59	3.20	4.55	4.68
Denmark	-2.47	-1.88	-2.26	-1.18	-1.64	-2.77	-4.49	-3.00	-1.34	-1.12	1.35	2.18
France	-4.21	-4.81	-12.08	-5.17	-0.88	-0.04	2.43	-4.45	-4.80	-5.62	-13.77	-14.10
West Germany 1/	-14.10	-3.43	4.98	5.43	9.59	17.05	40.10	46.07	50.33	56.85	46.39	-20.65
Greece	-2.21	-2.41	-1.89	-1.88	-2.13	-3.28	-1.68	-1.22	-0.96	-2.56	-3.54	-3.34
Ireland	-2.13	-2.60	-1.94	-1.22	-1.04	-0.69	-0.68	0.37	0.64	0.52	1.43	1.94
Italy	-9.96	-9.70	-6.39	1.38	-2.50	-3.54	2.91	-1.66	6.19	-10.89	-12.73	-17.32
Netherlands	-1.16	3.55	4.71	4.91	6.33	4.09	4.03	3.93	6.86	9.81	9.22	9.70
Portugal	-1.06	-2.61	-3.25	-1.00	-0.51	0.41	1.14	0.45	1.07	0.15	0.14	-0.42
Spain	-5.17	-4.99	-4.25	2.75	2.02	2.85	3.97	-0.23	-3.78	-10.93	-16.82	-16.00
United Kingdom	6.86	14.13	7.99	5.67	2.30	4.16	-0.16	-7.23	-27.66	-33.41	-26.09	-11.76
Other Western Europe	-6.72	0.76	-0.63	1.53	8.90	6.80	0.07	-0.39	0.82	-0.55	-0.53	2.38
Austria	-1.73	-1.46	0.64	0.25	-0.26	-0.27	0.09	-0.43	-0.46	0.06	0.96	-0.25
Finland	-1.41	-0.39	-0.76	-0.94	-0.01	-0.73	-0.73	-1.81	-2.76	-5.51	-6.69	-5.54
Iceland	-0.08	-0.15	-0.26	0.06	-0.13	-0.12	0.02	-0.19	-0.22	-0.08	-0.16	-0.20
Norway	1.10	2.18	0.66	1.99	2.92	3.11	-4.55	-4.11	-3.89	0.21	3.89	5.02
Sweden	-4.40	-2.85	-3.44	-1.03	0.25	-1.23	0.59	-0.14	-0.69	-3.27	-5.46	-3.43
Switzerland	-0.20	3.43	2.53	1.21	6.14	6.04	4.65	6.29	8.84	8.04	6.94	6.78
Western Europe	-47.26	-18.15	-17.60	10.73	20.38	25.74	50.60	35.43	30.97	5.47	-10.40	-62.72
United States	1.20	7.26	-5.86	-40.18	-98.99	-122.25	-145.42	-162.22	-126.37	-106.36	-92.16	-8.66

1/ 1991 estimate covers unified Germany. Estimates prior to 1991 cover only West Germany.

Source: International Monetary Fund. International Financial Statistics; DRI/McGraw-Hill for most 1991 estimates.



Appendix table 5: Exchange rates for Western European currencies, 1980-91 1/

Country	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
----- National currency per U.S. dollar -----												
European Community 2/	0.72	0.89	1.02	1.12	1.27	1.31	1.02	0.87	0.84	0.91	0.79	0.81
Belgium-Luxembourg	29.24	37.13	45.69	51.13	57.78	59.38	44.67	37.33	36.77	39.40	33.42	34.15
Denmark	7.33	7.12	8.33	9.15	10.36	10.60	8.09	6.84	6.73	7.31	6.19	6.40
France	4.23	5.43	6.57	7.62	8.74	8.99	6.93	6.01	5.96	6.38	5.45	5.64
Germany	1.82	2.26	2.43	2.55	2.85	2.94	2.17	1.80	1.76	1.88	1.62	1.66
Greece	42.62	55.41	66.80	88.06	112.72	138.12	139.98	135.43	141.86	162.42	158.51	182.27
Ireland	0.49	0.62	0.70	0.80	0.92	0.94	0.75	0.67	0.66	0.71	0.60	0.62
Italy	856.4	1136.8	1352.5	1518.8	1757.0	1909.4	1490.8	1296.1	1301.6	1372.1	1198.1	1240.6
Netherlands	1.99	2.50	2.67	2.85	3.21	3.32	2.45	2.03	1.98	2.12	1.82	1.87
Portugal	50.06	60.55	79.47	110.78	146.39	170.40	149.59	140.88	143.95	157.46	142.55	144.48
Spain	71.70	92.32	109.86	143.43	160.76	170.04	140.05	123.48	116.49	118.38	101.93	103.91
United Kingdom	0.43	0.49	0.57	0.66	0.75	0.77	0.68	0.61	0.56	0.61	0.56	0.57
Other Western Europe	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Austria	12.94	15.93	17.06	17.96	20.01	20.69	15.27	12.64	12.35	13.23	11.37	11.68
Finland	3.73	4.32	4.82	5.57	6.01	6.20	5.07	4.40	4.18	4.29	3.82	4.04
Iceland	4.80	7.22	12.35	24.84	31.69	41.51	41.10	38.68	43.01	57.04	58.28	59.00
Norway	4.94	5.74	6.45	7.30	8.16	8.60	7.39	6.74	6.52	6.90	6.26	6.48
Sweden	4.23	5.06	6.28	7.67	8.27	8.60	7.12	6.34	6.13	6.45	5.92	6.05
Switzerland	1.68	1.96	2.03	2.10	2.35	2.46	1.80	1.49	1.46	1.64	1.39	1.43

1/ All exchange rates are period averages.

2/ Represents number of European Currency Units equal to 1 U.S. dollar.

Source: International Monetary Fund. International Financial Statistics.

Appendix table 6: European Currency Unit (ECU) exchange rates, 1980-91 1/

Country	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
----- National currency per ECU -----												
European Community												
Belgium-Luxembourg	40.60	41.30	44.68	45.43	45.44	44.91	43.80	43.04	43.43	43.38	42.42	42.22
Denmark	7.83	7.92	8.15	8.13	8.15	8.02	7.94	7.88	7.95	8.05	7.86	7.91
France	5.87	6.04	6.43	6.77	6.87	6.80	6.80	6.93	7.04	7.02	6.91	6.97
Germany	2.25	2.51	2.38	2.27	2.24	2.23	2.13	2.07	2.07	2.07	2.05	2.05
Greece	59.24	61.62	65.30	78.09	88.44	105.66	137.41	156.19	167.56	178.88	201.43	225.22
Ireland	0.68	0.69	0.69	0.71	0.73	0.72	0.73	0.78	0.78	0.78	0.77	0.77
Italy	1189.1	1263.1	1323.6	1349.7	1376.0	1430.7	1462.1	1494.7	1537.3	1510.7	1521.9	1533.3
Netherlands	2.76	2.78	2.62	2.54	2.52	2.51	2.40	2.33	2.33	2.33	2.32	2.31
Portugal	69.55	68.49	78.01	98.69	115.67	130.26	147.02	162.63	170.07	173.40	181.09	178.60
Spain	99.70	102.68	107.56	127.50	126.57	129.17	137.46	142.17	137.61	130.41	129.42	128.47
United Kingdom	0.60	0.55	0.56	0.59	0.59	0.59	0.67	0.71	0.66	0.67	0.71	0.70
United States	1.39	1.12	0.98	0.89	0.79	0.76	0.98	1.15	1.18	1.10	1.27	1.24

1/ All exchange rates are period averages.

Source: International Monetary Fund. International Financial Statistics; and EUROSTAT External Trade for Spain and Portugal.

Appendix table 7: Monthly and annual U.S.\$/ECU exchange rate

Month	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
US\$ per ECU												
January	1.286	1.067	0.962	0.804	0.702	0.891	1.112	1.250	1.138	1.202	1.358	1.295
February	1.207	1.033	0.944	0.831	0.676	0.928	1.130	1.217	1.125	1.218	1.384	1.263
March	1.206	1.013	0.938	0.860	0.675	0.955	1.132	1.234	1.115	1.197	1.281	1.230
April	1.175	0.998	0.925	0.845	0.725	0.951	1.147	1.241	1.112	1.212	1.211	1.242
May	1.107	1.033	0.919	0.815	0.720	0.965	1.162	1.228	1.067	1.232	1.199	1.268
June	1.066	0.978	0.892	0.816	0.733	0.962	1.141	1.184	1.047	1.223	1.151	1.303
July	1.034	0.959	0.879	0.786	0.772	0.990	1.124	1.127	1.095	1.262	1.149	1.371
August	1.007	0.952	0.852	0.776	0.798	1.021	1.116	1.104	1.078	1.316	1.176	
September	1.057	0.941	0.852	0.742	0.785	1.028	1.145	1.111	1.063	1.313	1.208	
October	1.086	0.930	0.866	0.728	0.837	1.040	1.152	1.140	1.103	1.352	1.211	
November	1.099	0.916	0.844	0.746	0.852	1.029	1.227	1.185	1.119	1.381	1.258	
December	1.084	0.955	0.822	0.720	0.873	1.045	1.264	1.184	1.167	1.367	1.300	
Annual	1.118	0.981	0.891	0.789	0.762	0.984	1.154	1.184	1.102	1.273	1.241	1.282

Source: Statistical Office of the European Communities, EUROSTAT External Trade.

Appendix table 8: Population, 1980-91

Country	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
-----Million-----												
European Community	318.0	319.1	319.8	320.4	321.0	321.6	322.3	323.2	324.2	325.4	327.8	NA
Belgium	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.8	NA
Denmark	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	NA
France	53.9	54.2	54.5	54.7	55.0	55.2	55.4	55.6	55.9	56.2	56.7	56.6
West Germany	61.5	61.7	61.6	61.4	61.1	61.0	61.0	61.1	61.4	62.0	63.2	64.1
Greece	9.6	9.7	9.8	9.9	9.9	9.9	10.0	10.0	10.0	10.0	10.1	NA
Ireland	3.4	3.4	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Italy	56.4	56.5	56.6	56.8	57.0	57.1	57.3	57.3	57.4	57.5	57.7	NA
Luxembourg	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	NA
Netherlands	14.1	14.3	14.3	14.4	14.4	14.5	14.6	14.7	14.8	14.8	14.9	15.1
Portugal	9.8	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.9	10.6
Spain	37.5	37.8	38.0	38.2	38.3	38.5	38.6	38.7	38.8	38.9	39.0	39.0
United Kingdom	56.3	56.4	56.3	56.4	56.5	56.6	56.8	56.9	57.1	57.2	57.4	NA
Other Western Europe	31.3	31.4	31.5	31.5	31.6	31.7	31.8	31.9	32.0	32.2	32.5	NA
Austria	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.8	7.8
Finland	4.8	4.8	4.8	4.9	4.9	4.9	4.9	4.9	5.0	5.0	5.0	NA
Iceland	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3
Norway	4.1	4.1	4.1	4.1	4.1	4.2	4.2	4.2	4.2	4.2	4.2	4.3
Sweden	8.3	8.3	8.3	8.3	8.3	8.4	8.4	8.4	8.4	8.5	8.6	8.6
Switzerland	6.3	6.4	6.4	6.4	6.4	6.5	6.5	6.6	6.6	6.7	6.7	6.8
Western Europe	349.3	350.4	351.3	351.9	352.6	353.2	354.1	355.1	356.2	357.6	360.3	NA
United States	227.8	229.9	232.2	234.3	236.4	238.5	240.7	242.8	245.1	247.3	249.9	252.7

Source: International Monetary Fund. International Financial Statistics.



Appendix table 9: Comparison of PSEs for various commodities in the EC, USA, and EFTA countries

Commodity		Austria	Finland	Norway	Sweden	Switzerland	EC	USA
		(in percent terms)						
All Products	1979-1986 average	33	58	71	44	68	37	28
	1987	48	71	74	57	79	49	40
	1988	48	72	75	52	78	46	34
	1989	41	69	73	52	73	41	28
	1990	50	72	76	61	80	49	29
	1991	52	71	77	59	80	49	30
Wheat	1979-1986 average	32	62	63	35	72	32	29
	1987	75	82	78	65	85	61	64
	1988	69	82	79	38	85	50	40
	1989	39	78	73	42	78	27	26
	1990	66	67	81	71	81	43	43
	1991	75	84	84	50	84	61	50
Coarse grains	1979-1986 average	26	58	77	29	74	34	21
	1987	62	90	83	48	91	68	46
	1988	49	85	76	36	89	45	38
	1989	37	81	83	53	83	34	28
	1990	39	86	90	73	83	52	21
	1991	35	84	86	57	83	55	26
Oilseeds	1979-1986 average	n.c.	60	n.c.	36	85	49	8
	1987		77		42	99	75	10
	1988		84		48	92	56	13
	1989		81		61	93	61	9
	1990		88		68	100	72	7
	1991		98		63	98	67	7
Milk	1979-1986 average	47	66	77	65	73	54	63
	1987	59	76	79	73	84	64	67
	1988	53	76	78	68	79	57	53
	1989	51	73	76	64	75	56	53
	1990	67	77	81	71	86	72	64
	1991	66	76	83	74	85	69	58
Beef and veal	1979-1986 average	44	58	69	45	76	48	34
	1987	39	62	66	45	78	46	36
	1988	50	68	73	54	85	55	40
	1989	52	63	71	49	83	55	31
	1990	53	61	69	45	83	56	29
	1991	55	60	71	51	83	54	34
Poultry	1979-1986 average	9	46	25	26	79	20	8
	1987	33	56	42	36	83	22	34
	1988	28	62	54	43	84	32	14
	1989	15	52	55	39	83	26	10
	1990	28	56	46	28	87	29	10
	1991	33	58	50	35	85	18	10
Pigmeat	1979-1986 average	9	36	46	22	45	6	7
	1987	33	48	56	41	62	6	7
	1988	28	53	57	35	54	6	7
	1989	15	53	48	28	42	7	7
	1990	28	55	44	25	62	9	6
	1991	33	53	51	36	62	8	6
Sheepmeat	1979-1986 average	n.c.	70	88	34	71	60	8
	1987		83	94	58	80	75	8
	1988		86	96	59	80	79	7
	1989		82	94	59	80	75	7
	1990		84	93	49	85	75	7
	1991		80	89	51	79	68	7

Note: Milk, beef and veal, poultry, pigmeat, and sheepmeat figures do not include value of support to inputs, i.e. feed adjustment. Figures for 1990 are estimated; 1991 are provisional; n.c. = not calculated.

Source: Agricultural Policies, Marketing and Trade: Monitoring and Outlook, 1992. OECD.

Appendix table 10: Comparison of CSEs for various commodities in the EC, USA, and EFTA Countries

Commodity		Austria	Finland	Norway	Sweden	Switzerland	EC	USA
		(in percent terms)						
All Products	1979-1986 average	-28	-55	-40	-37	-46	-30	-18
	1987	-51	-70	-61	-59	-56	-46	-23
	1988	-48	-68	-56	-53	-55	-40	-18
	1989	-41	-67	-55	-55	-51	-34	-16
	1990	-49	-71	-65	-65	-54	-41	-19
	1991	-50	-72	-63	-60	-55	-42	-19
Wheat	1979-1986 average	-12	-52	18	-58	-33	-25	0
	1987	-58	-53	-43	-99	-45	-54	-24
	1988	-55	-73	-18	-76	-49	-44	-7
	1989	-36	-70	-21	-80	-53	-21	-1
	1990	-56	-59	-44	-109	-37	-35	-14
	1991	-65	-77	-41	-92	-52	-52	-23
Coarse grains	1979-1986 average	-20	-51	-60	-26	-37	-29	0
	1987	-59	-77	-74	-41	-56	-63	0
	1988	-47	-76	-63	-31	-54	-39	0
	1989	-35	-72	-73	-49	-51	-30	0
	1990	-35	-79	-84	-65	-47	-47	0
	1991	-32	-79	-76	-50	-52	-49	0
Oilseeds	1979-1986 average	0	-24	-6	-50	-32	0	0
	1987	0	-31	-11	-72	-45	0	0
	1988	0	-5	-8	-51	-42	0	0
	1989	0	-17	-9	-59	-40	0	0
	1990	0	-32	-11	-84	-39	0	0
	1991	0	-57	-11	-78	-40	0	0
Milk	1979-1986 average	-48	-63	-26	-33	-44	-42	-52
	1987	-65	-74	-59	-55	-54	-54	-54
	1988	-56	-70	-54	-53	-51	-46	-39
	1989	-52	-70	-50	-51	-45	-46	-44
	1990	-68	-77	-71	-65	-51	-60	-57
	1991	-66	-75	-71	-72	-49	-57	-49
Beef and veal	1979-1986 average	-40	-59	-43	-41	-63	-43	-27
	1987	-40	-62	-54	-52	-63	-43	-28
	1988	-49	-65	-62	-55	-68	-51	-31
	1989	-48	-70	-61	-55	-68	-49	-24
	1990	-50	-70	-62	-54	-69	-47	-23
	1991	-51	-67	-61	-49	-71	-46	-28
Poultry	1979-1986 average	-16	-56	-75	-30	-38	-21	0
	1987	-12	-68	-84	-54	-37	-35	-25
	1988	-47	-73	-90	-52	-37	-38	-3
	1989	-56	-69	-84	-49	-37	-29	0
	1990	-55	-68	-82	-45	-39	-37	-1
	1991	-50	-65	-81	-42	-37	-26	-1
Pigmeat	1979-1986 average	-13	-49	-57	-41	-51	-14	0
	1987	-50	-72	-74	-74	-72	-34	0
	1988	-39	-71	-72	-65	-69	-24	0
	1989	-22	-63	-64	-64	-53	-12	1
	1990	-35	-68	-68	-60	-67	-20	1
	1991	-39	-68	-70	-46	-68	-25	1
Sheepmeat	1979-1986 average	-11	-55	-26	-20	-27	-50	-1
	1987	0	-73	-63	-53	-34	-68	0
	1988	-41	-76	-68	-53	-32	-68	0
	1989	-96	-74	-63	-53	-34	-63	0
	1990	-97	-76	-61	-42	-33	-61	0
	1991	-99	-68	-46	-37	-35	-47	-1

Figures for 1990 are estimated; 1991 are provisional; n.c. = not calculated.

Source: Agricultural Policies, Markets and Trade: Monitoring and Outlook, 1992. OECD.



Appendix table 11: Total transfers associated with agricultural policies

Country	Transfers from taxpayers (1)			Transfers from consumers (2)			Budget revenues (3)			Total transfers (1) + (2) - (3)		
	1987	1988	1989	1987	1988	1989	1987	1988	1989	1987	1988	1989
	Billion ECU			Billion ECU			Billion ECU			Billion ECU		
Australia	0.2	0.2	0.3	0.3	0.3	0.4	0.0	0.0	0.0	0.5	0.5	0.6
Austria	0.9	0.8	0.8	2.4	2.2	1.8	0.0	0.0	0.0	3.3	3.0	2.6
Canada	4.9	4.8	3.9	3.1	3.1	3.2	0.1	0.1	0.1	7.9	7.8	7.1
EC-12	33.1	38.6	37.5	71.7	63.5	56.2	0.8	0.8	0.7	104.0	101.2	93.0
Finland	1.4	1.5	1.6	2.7	2.8	2.9	0.2	0.1	0.0	3.8	4.2	4.5
Japan	15.5	16.5	16.3	52.0	55.5	53.6	9.9	12.7	10.6	57.5	59.4	59.3
New Zealand	0.1	0.1	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.2	0.1
Norway	1.5	1.6	1.7	1.5	1.4	1.4	0.2	0.1	0.1	2.9	2.9	3.0
Sweden	0.5	0.5	0.5	2.3	2.2	2.4	0.2	0.1	0.1	2.7	2.5	2.8
Switzerland	1.4	1.5	1.6	3.9	4.0	3.5	0.7	0.7	0.5	4.6	4.8	4.6
United State	44.7	37.4	43.4	27.2	22.0	22.0	1.2	0.9	0.7	70.6	58.5	64.7
Total	104.2	103.5	107.6	167.2	157.1	147.5	13.3	15.5	12.8	257.9	245.0	242.3
			98.0			148.4			10.8			235.6

- (1) Transfers from taxpayers include both federal and state or provincial expenditure in the U.S., Australia, Canada, Austria and Germany. For the EC, these expenditures cover not only Community expenditure, but also member state expenditure.
- (2) Transfers from consumers represent the implicit tax on consumers due to market price support including the effect of border policies. They correspond to the total market price support element of CSE net of consumer subsidies borne by taxpayers.
- (3) Budget revenues arising from price policies only exist for products in which a country is not self-sufficient; they are estimated by multiplying the tariff or price wedge by the difference between consumption and production levels of these commodities.

Source: OECD Secretariat estimates.

Appendix table 12: European Community agricultural policy prices, 1988/89-1992/93 1/

Product	Type of price	1988/89	1989/90	1990/91	1991/92	1992/93
Soft wheat	target	250.30	247.78	234.22	233.26	232.76
	intervention (bread)	179.44	174.06	168.55	168.55	168.55
	intervention (bread), Portugal	--	--	--	210.80	168.55
	intervention (feed)	170.41	165.36	160.13	160.13	160.13
	intervention (feed), Portugal	--	--	--	200.26	160.13
	threshold	245.68	236.74	229.85	228.67	229.81
Durum wheat	target	334.91	315.39	287.38	277.21	276.71
	intervention	276.34	253.26	235.96	227.70	227.70
	intervention, Spain	--	--	--	216.48	227.70
	aid/ha	137.05	158.98	171.14	181.88	181.88
	aid/ha, Spain	--	--	--	146.34	181.88
	threshold	330.29	311.05	283.01	272.62	275.31
Barley	target	228.00	225.48	213.29	212.33	211.83
	intervention	170.47	165.36	160.13	160.13	160.13
	threshold	223.38	215.12	208.92	207.42	209.50
Corn	target	228.00	225.48	213.29	212.33	211.83
	intervention	179.44	174.06	168.55	168.55	168.55
	threshold	245.09	215.12	208.92	207.42	213.71
Sorghum	target	228.00	225.48	213.29	212.33	211.83
	intervention	170.47	165.36	160.13	160.33	160.13
	threshold	223.38	215.12	208.92	207.42	213.71
Rye	target	228.00	225.48	213.29	212.33	211.83
	intervention	170.47	165.36	160.13	160.13	160.13
	threshold	223.38	215.12	208.92	207.42	209.50
Rice	target (husked)	549.85	546.88	546.13	546.13	545.52
	intervention (paddy)	314.19	314.19	313.65	313.65	313.65
	intervention (paddy), Portugal	--	--	--	338.39	332.21
	threshold (husked)	543.15	541.24	540.05	NA	NA
Sugar beet	basic	40.89	40.07	40.00	40.00	40.00
	basic price, Spain	47.98	47.16	47.09	46.84	46.08
	basic price, Portugal	43.72	42.90	42.83	42.83	41.57
	'A' quota	40.07	39.27	39.20	39.20	39.20
	'A' quota, Spain	47.16	46.36	46.29	46.04	45.28
	'A' quota, Portugal	42.90	42.10	42.03	42.03	39.20
	'B' quota	27.81	27.25	27.20	24.20	24.20
	'B' quota, Spain	31.90	34.34	34.04	31.04	30.28
	'B' quota, Portugal	30.64	30.08	30.03	27.03	24.20
Raw sugar	intervention	449.20	440.20	439.40	439.40	439.40
	threshold	567.50	556.10	550.60	546.00	546.00
White sugar	target	570.30	558.90	558.90	557.90	--
	intervention	541.80	531.00	530.10	530.10	530.10
	intervention, Spain	--	--	--	612.90	595.70
	intervention, Portugal	--	--	--	533.50	542.22
	intervention, Italy	561.20	550.40	549.50	549.50	530.10
	intervention, UK/Ireland	553.90	543.10	542.20	542.20	530.10
	threshold	663.30	650.00	644.00	639.00	639.00
Rapeseed	target	415.80	436.20	379.70	442.70	--
	target, Spain	408.60	414.50	420.30	419.70	--
	intervention	407.60	407.60	406.90	400.80	--
	intervention, Spain	366.00	371.90	377.80	377.80	--
	adjusted intervention	373.00	394.00	337.00	321.00	--
Sunflower	target	583.50	583.50	582.50	573.80	--
	target, Spain	462.80	480.00	497.10	506.50	--
	intervention	534.70	534.70	533.80	525.80	--
	intervention, Spain	414.00	431.20	448.40	458.50	--
	adjusted intervention	419.00	499.00	411.00	440.00	--

Continued--



Appendix table 12: European Community agricultural policy prices, 1988/89-1992/93

Product	Type of price	1988/89	1989/90	1990/91	1991/92	1992/93
Soybeans	guide	558.50	558.50	557.50	549.10	--
	guide, Spain	443.50	459.90	476.20	485.10	--
	minimum	489.40	489.40	488.60	481.30	--
	minimum, Spain	374.40	390.80	407.30	417.30	--
	adjusted intervention	432.00	382.00	321.00	371.00	--
Olive oil	production target	3,225.60	3,225.60	3,220.10	3,220.10	3,220.10
	intervention	2,162.40	2,162.40	2,158.70	2,158.70	2,023.70
	intervention, Spain	1,550.10	1,652.10	1,751.20	1,853.10	1,832.70
	intervention, Portugal	2,037.90	2,058.70	2,075.80	2,096.50	1,984.80
	production aid	709.50	709.50	708.30	708.30	843.30
	production aid, Spain	271.00	333.60	395.60	458.50	554.70
	production aid, Portugal	212.90	283.80	354.20	425.30	529.80
Dried fodder	guide	178.92	178.92	178.61	178.61	--
	guide, Spain	161.27	65.68	169.99	174.30	--
Peas and beans	activating	447.60	447.60	446.80	440.10	440.10
	guide	295.20	295.20	294.70	290.30	290.30
	peas, minimum	257.70	257.70	257.30	253.40	253.40
	adjusted minimum	231.10	234.10	198.30	211.59	210.00
	beans, minimum	248.60	238.87	238.30	234.70	234.70
	adjusted minimum	222.00	215.10	179.30	195.97	210.00
Lupins	activating	430.50	430.50	429.80	423.40	423.40
	minimum	289.00	289.00	288.50	284.20	284.20
	adjusted minimum	259.60	265.40	229.50	NA	256.90
Dairy	milk target	278.40	278.40	268.10	268.10	268.10
	butter intervention	3,132.00	2,932.80	2,927.80	2,927.80	2,927.80
	butter intervention, Portugal	--	--	--	2,927.80	2,927.80
	butter intervention, Spain	--	--	--	3,024.90	2,927.80
	SMP intervention	1,740.40	1,722.30	1,724.30	1,724.30	1,724.30
	SMP intervention, Spain	--	--	--	2,026.70	1,724.30
	SMP intervention, Portugal	--	--	--	2,100.00	2,070.00
	cheese intervention					
	Grana Padano - 30 - 60 days	3,889.30	3,889.30	3,796.70	3,796.70	3,796.70
	- 6 months	4,803.30	4,803.30	4,704.30	4,704.30	4,704.30
	Parmigiano-Reggiano - 6 months	5,291.90	5,291.90	5,192.10	5,192.10	5,192.10
Beef and veal	adult cattle					
	- guide (liveweight)	2,050.20	2,050.20	2,000.00	2,000.00	2,000.00
	- intervention					
	(carcass weight)	3,440.00	3,440.00	3,430.00	3,430.00	3,430.00
Sheepmeat	basic (slaughter wt.)	4,323.20	4,323.20	4,323.20	4,229.50	4,229.50
	adjusted basic (GB)	4,247.54	4,107.04	4,013.69	3,979.96	3,933.40
	adjusted basic (EC-11)	4,272.76	4,107.04	4,013.69	3,933.44	--
Pigmeat	basic (slaughter wt.)	2,033.30	2,033.30	1,900.00	1,897.00	1,897.00
Cotton	guide	960.20	960.20	958.60	958.60	1,027.90
	minimum	912.30	912.30	910.70	910.70	976.50
Table wine	guide					
	RI (ECU/degree hl)	3.35	3.27	3.21	3.21	3.21
	RI, Spain	2.49	2.69	2.81	3.01	3.21
	RII (ECU/degree hl)	3.35	3.27	3.21	3.21	3.21
	RII, Spain	2.49	2.69	2.81	3.01	3.21
	RIII (ECU/hl)	52.23	52.23	52.14	52.14	52.14
	RIII, Spain	38.89	42.23	45.48	48.81	52.14
	AI (ECU/degree hl)	3.11	3.17	3.21	3.21	3.21
	AI, Spain	2.31	2.53	2.81	3.01	3.21
	AII (ECU/hl)	69.60	69.60	69.48	69.48	69.48
	AII, Spain	51.78	56.24	60.59	65.04	69.48
	AIII (ECU/hl)	79.49	79.49	79.35	79.35	79.35
	AIII, Spain	59.14	64.23	69.20	74.28	79.35

NA = not available

1/ Effective buying-in prices for grains and oilseeds are provided in table 6.1.

Source: Commission of the European Communities.

Appendix table 13: EC monthly threshold prices for grains

	Common wheat	Corn and sorghum 1/	Barley and rye	Durum wheat	Oats	Wheat flour
	-----ECU per ton-----					
July 1992	221.68	219.74	201.37	264.31	193.32	337.10
August	223.18	219.74	202.87	266.34	194.82	339.16
September	224.68	219.74	204.37	268.37	196.32	341.22
October	226.18	205.87	205.87	270.40	197.82	343.28
November	227.68	207.37	207.37	272.43	199.32	345.34
December	229.18	208.87	208.87	274.46	200.82	347.40
January 1993	230.68	210.37	210.37	276.49	202.32	349.46
February	232.18	211.87	211.87	278.52	203.82	351.52
March	233.68	213.37	213.37	280.55	205.32	353.58
April	235.18	214.87	214.87	282.58	206.82	355.64
May	236.68	216.37	216.37	284.61	208.32	357.70
June	236.68	216.37	216.37	284.61	208.32	357.70

1/ For corn and sorghum the threshold prices during July, August and September are fixed at the same level as in March 1992. From October onwards they revert to the basic July price plus the relevant number of monthly increments.

Source: Home-Grown Cereals Authority, July 1992.

Appendix table 14: Cumulative monthly increments to EC cereal support prices

		Common Wheat Rye, Barley 1/	Sorghum and Maize	Durum Wheat	Wheat Flour 2/	Durum Wheat Groats and Meal
		-----ECU/t-----				
Intervention and buying-in	July 1992	-	-	-	-	-
	August	-	-	-	-	-
	September	-	-	-	-	-
	October	-	-	-	-	-
	November	1.50	1.50	2.03	-	-
	December	3.00	3.00	4.06	-	-
	January 1993	4.50	4.50	6.09	-	-
	February	6.00	6.00	8.12	-	-
	March	7.50	7.50	10.15	-	-
	April	9.00	9.00	12.18	-	-
	May	10.50	10.50	14.21	-	-
	June	-	-	-	-	-
Threshold and target	July 1992	-	-	-	-	-
	August	1.50	-	2.03	2.06	3.05
	September	3.00	-	4.06	4.12	6.10
	October	4.50	4.50	6.09	6.18	9.15
	November	6.00	6.00	8.12	8.24	12.20
	December	7.50	7.50	10.15	10.30	15.25
	January 1993	9.00	9.00	12.18	12.36	18.30
	February	10.50	10.50	14.21	14.42	21.35
	March	12.00	12.00	16.24	16.48	24.40
	April	13.50	13.50	18.27	18.54	27.45
	May	15.00	15.00	20.30	20.60	30.50
	June	15.00	15.00	20.30	20.60	30.50

1/ Also apply to the threshold prices for meslin, oats, buckwheat, millet and canary seed.

2/ Also apply to the threshold prices for rye flour and common wheat groats and meal.

Source: Home-Grown Cereals Authority, July 1992.



Appendix table 15: EC open market export refunds for wheat &amp; barley, 1991/92

Month	-----Wheat-----			-----Barley-----			-----Spanish Barley-----		
	Maximum	Tonnage	Cumulative	Maximum	Tonnage	Cumulative	Maximum	Tonnage	Cumulative
	Refund	Authorized	Total	Refund	Authorized	Total	Refund	Authorized	Total
	ECU	-----Tons-----		ECU	-----Tons-----		ECU	-----Tons-----	
May/June 199	-	-	-	-	-	-	-	-	-
July	-	-	-	74.90	5,000	5,000	90.75	16,372	16,372
August	92.97	830,000	830,000	82.00	400,000	405,000	984.38	50,000	66,372
September	88.99	225,000	1,055,000	84.39	486,500	891,500	-	-	66,372
October	88.74	752,000	1,807,000	86.50	695,500	1,587,000	96.90	100,000	166,372
November	90.99	837,500	2,644,500	93.00	980,000	2,567,000	102.80	80,000	246,372
December	85.22	375,000	3,019,500	93.00	546,500	3,113,500	103.95	110,500	356,872
January 1992	87.47	645,000	3,664,500	95.50	375,000	3,488,500	-	-	356,872
February	73.95	125,000	3,789,500	89.90	275,000	3,763,500	-	-	356,872
March	67.95	75,000	3,864,500	86.84	144,000	3,907,500	-	-	356,872
April	-	-	3,864,500	85.95	139,000	4,046,500	-	-	356,872
May	76.00	10,000	3,874,500	90.00	39,500	4,086,000	-	-	356,872

1/ This is the maximum refund granted during the month, and does not include a corrective.

Source: Home Grown Cereals Authority.

Appendix table 16: Agricultural conversion (green) rates for selected commodities, 1988/89-1991/92 1/ 2/

Commodity	Belgium			Denmark	France	Ireland	Italy	Netherland	United		West	
	Luxembourg								Kingdom	Germany	Greece	Spain
----- National currency per ECU -----												
Cereals												
1988/89	48.175	8.7980	7.5296	0.83755	1615.84	2.6746	0.6655	2.3859	149.33	154.21	188.01	
1989/90	48.287	8.9301	7.6979	0.85677	1685.65	2.6609	0.7028	2.3736	197.28	154.21	195.64	
1990/91	48.481	8.9660	7.8834	0.87741	1758.72	2.6609	0.7585	2.3736	224.72	154.21	208.19	
1991/92	48.556	8.9799	7.8956	0.87878	1761.45	2.6526	0.7954	2.3542	252.12	153.50	208.68	
1992/93	48.556	8.9799	7.8956	0.87878	1761.45	2.6526	0.7954	2.3542	252.12	153.50	208.68	
Rapeseed												
1988/89	48.176	8.7982	7.5120	0.83758	1615.95	2.6470	0.6656	2.3611	149.71	154.21	188.01	
1989/90	48.287	8.9301	7.6979	0.85677	1685.65	2.6379	0.7028	2.3611	185.28	152.90	195.64	
1990/91	48.481	8.9660	7.8834	0.87741	1758.72	2.6485	0.7585	2.3505	221.35	152.90	208.19	
1991/92	48.556	8.9799	7.8956	0.87878	1761.45	2.6526	0.7954	2.3542	252.12	150.83	208.68	
1992/93	48.556	8.9799	7.8956	0.87878	1761.45	2.6526	0.7954	2.3542	252.12	150.83	208.68	
Sunflowerseed												
1988/89	48.176	8.7982	7.5120	0.83758	1615.95	2.6470	0.6656	2.3611	149.71	154.21	188.01	
1989/90	48.287	8.9301	7.6979	0.85677	1687.94	2.6379	0.7030	2.3611	186.35	152.90	196.30	
1990/91	48.504	8.9744	7.8871	0.87783	1759.55	2.6497	0.7649	2.3516	221.82	152.90	208.33	
1991/92	48.556	8.9799	7.8956	0.87878	1761.45	2.6526	0.7954	2.3542	252.12	150.83	208.68	
1992/93	48.556	8.9799	7.8956	0.87878	1761.45	2.6526	0.7954	2.3542	252.12	150.83	208.68	
Soybean												
1988/89	48.176	8.7982	7.5120	0.83758	1615.95	2.6470	0.6656	2.3611	149.71	154.21	188.01	
1989/90	48.287	8.9301	7.6979	0.85677	1690.24	2.6379	0.7033	2.3611	187.42	152.90	196.96	
1990/91	48.527	8.9744	7.8908	0.87824	1760.38	2.6510	0.7713	2.3528	222.30	152.90	208.48	
1991/92	48.556	8.9799	7.8956	0.87878	1761.45	2.6526	0.7954	2.3542	252.12	150.83	208.68	
1992/93	48.556	8.9799	7.8956	0.87878	1761.45	2.6526	0.7954	2.3542	252.12	150.83	208.68	
Beef and veal												
1988/89	48.068	8.7628	7.7059	0.84532	1616.53	2.6470	0.7105	2.3611	135.80	155.79	188.01	
1989/90	48.287	8.9301	7.8518	0.87390	1690.14	2.6379	0.7308	2.3505	168.49	155.79	194.34	
1990/91	48.455	8.9612	7.8792	0.87694	1757.77	2.6477	0.7513	2.3493	207.45	155.79	206.90	
1991/92	48.556	8.9799	7.8956	0.87878	1761.45	2.6526	0.7954	2.3542	252.12	154.14	208.68	
1992/93	48.556	8.9799	7.8956	0.87878	1761.45	2.6526	0.7954	2.3542	252.12	154.14	208.68	
Pork												
1988/89	48.247	8.9200	7.7693	0.85659	1708.98	2.6470	0.7228	2.3611	161.59	148.67	188.01	
1989/90	48.287	8.9301	7.8834	0.85677	1719.62	2.6379	0.7406	2.3611	195.64	148.02	195.64	
1990/91	48.466	8.9631	7.8834	0.87713	1758.15	2.6476	0.7987	2.3498	238.96	146.54	206.55	
1991/92	48.556	8.9799	7.8956	0.87878	1761.45	2.6526	0.7954	2.3542	257.90	145.76	205.19	
1992/93	48.556	8.9799	7.8956	0.87878	1761.45	2.6526	0.7954	2.3542	264.46	147.72	202.42	
Sheep and goat												
1988/89	47.311	8.5816	7.5454	0.81776	1554.00	2.6739	0.6256	2.3611	150.28	151.81	181.89	
1989/90	48.287	8.9301	7.6979	0.85677	1708.26	2.6379	0.7022	2.3505	211.11	153.32	199.55	
1990/91	48.351	8.9419	7.7081	0.85790	1711.13	2.6413	0.7022	2.3514	212.40	153.18	199.81	
1991/92	48.556	8.9799	7.8956	0.87878	1761.45	2.6526	0.7954	2.3542	252.12	150.83	208.68	
1992/93	48.556	8.9799	7.8956	0.87878	1761.45	2.6526	0.7954	2.3542	252.12	150.83	208.68	
Milk and milk products												
1988/89	48.106	8.8672	7.5026	0.83519	1622.62	2.6653	0.6704	2.3859	135.92	155.79	188.01	
1989/90	48.287	8.9301	7.6979	0.85677	1690.14	2.6379	0.7076	2.3505	168.49	155.79	194.34	
1990/91	48.455	8.9612	7.8792	0.87694	1757.77	2.6470	0.7513	2.3493	207.45	154.79	206.90	
1991/92	48.556	8.9799	7.8956	0.87878	1761.45	2.6526	0.7954	2.3542	252.12	154.14	208.68	
1992/93	48.556	8.9799	7.8956	0.87878	1761.45	2.6526	0.7954	2.3542	252.12	154.14	208.68	

1/ Agricultural conversion (green) rates are set at various times during the year. The conversion rates are marketing year averages.

2/ The 1992/93 green rates are those issued by the Commission for the start of the 1992/93 marketing year and may have changed.

Green rates apply from the beginning of the marketing year for each commodity.

Source: Cap Monitor; Agra Europe, May 1992; and the Official Journal of the European Communities, various issues. For green rates from earlier years, see Herlihy, Michael, et al. Agricultural Statistics of the EC, 1960-85. SB-770, USDA, ERS. Dec. 1988.



Appendix table 17: Switchover coefficient to convert to green ECUs 1/

Date	Switchover coefficient	Comments
April 1984	1.033651	Introduction of system, reduction of 3 percentage points in German MCA.
July 1985	1.035239	Devaluation of Italian lira, and other changes, within EMS.
April 1986	1.083682	Revaluation of German mark and Dutch guilder, and other changes within EMS.
August 1986	1.097805	Devaluation of Irish punt within EMS.
January 1987	1.125691	Revaluation of German mark and other currencies within EMS.
July 1987	1.137282	1987/88 CAP price fixing, reduction of 1 percentage point in German & Dutch MCA.
January 1990	1.145109	Italian lira moved to narrow band, and Spanish peseta joins ERM.
September 14-16, 1992	1.154338	Italian lira and UK pound devalued, and leave the ERM.
From September 17, 1992	1.157346	Continued devaluation of UK pound, Italian lira, and Spanish peseta.
From November 26, 1992	1.195066	Spanish peseta and Portuguese escudo devalued 6 percent each. Large increase in switchover is due to 14.42 percent devaluation of sterling since 9/17/92.

1/ To convert agricultural prices into market prices (in national currencies), multiply the policy (in ECUs) price by the switchover coefficient. To convert "green" ECUs into dollars, multiply the market price by the exc Dollar/ECU exchange rate for September 1992 is \$1.37 per ECU.

Source: EC Commission.

Appendix table 18: EC agricultural spending by commodity and economic type

	1983	1984	1985	1986	1987 1/	1988 2/	1989 3/	1990 4/	1991 5/	1992 6/
Million ECU										
Grains 7/	2,534	1,698	2,361	3,486	4,237	4,337	3,262	3,885	5,189	6,423
Export refunds	1,593	945	1,113	1,804	3,166	2,986	2,642	2,473	3,679	3,943
Intervention	941	753	1,248	1,682	1,071	1,352	619	1,412	1,510	2,480
Sugar	1,316	1,632	1,805	1,726	2,036	2,082	1,980	1,389	1,815	2,110
Export refunds	758	1,190	1,353	1,238	1,516	1,566	1,451	926	1,251	1,389
Intervention	558	442	452	487	520	516	529	462	564	721
Oils and fats	1,621	1,752	1,803	2,632	3,827	3,917	4,138	4,645	5,424	5,551
Export refunds	13	9	23	32	87	89	99	136	112	77
Intervention	1,608	1,744	1,780	2,600	3,739	3,828	4,039	4,509	5,312	5,474
Dairy	4,396	5,442	5,933	5,406	5,013	5,915	4,987	4,956	5,637	5,695
Export refunds	1,327	1,943	2,028	2,155	2,258	3,014	2,869	1,931	2,249	2,336
Intervention	3,069	3,498	3,905	3,251	2,755	2,901	2,118	3,025	3,388	3,359
Meat, poultry, and eggs	2,310	3,246	3,477	4,348	3,033	4,179	4,376	4,711	6,507	7,001
Export refunds	1,072	1,620	1,505	1,387	1,141	1,135	1,776	1,463	1,651	1,969
Intervention	1,239	1,627	1,972	2,961	1,892	3,044	2,600	3,248	4,856	5,032
Fruit and vegetables	1,196	1,455	1,231	986	967	708	1,019	1,253	1,107	1,570
Export refunds	58	59	75	77	67	65	79	81	95	114
Intervention	1,138	1,396	1,156	909	900	644	940	1,172	1,012	1,456
Other products	2,057	2,772	2,908	3,014	3,150	4,364	4,190	4,012	4,657	5,486
Export refunds	399	438	491	546	654	689	659	628	825	794
Intervention	1,658	2,334	2,417	2,468	2,496	3,675	3,531	3,384	3,832	4,692
Total market organization	15,431	17,996	19,517	21,598	22,262	25,503	23,951	24,850	30,334	33,836
Monetary support	488.6	376.2	189.8	481.7	654.9	569.6	364.3	307.5	159	73
Other compensation	0	0	136.4	113.5	259.4	346	314	292.1	855.7	962
Depreciation of stocks	0	0	0	0	0	1240	1442.9	1360.7	797	810
Set-Aside	0	0	0	0	0	0	3	21.2	77	180
Reserves and Provisions	0	0	0	0	0	0	0	0	0	17
Clearance of accounts	-108.1	-25.5	-99.2	-55.3	-208.2	29.2	-202.7	-377.9	-437.8	NA
Carryover from previous year	0	0	0	0	0	0	0	0	601.6	0
Guarantee Section, Total	15,812	18,346	19,744	22,138	22,968	27,687	25,873	26,454	32,387	35,878
Guidance Section, Total 8/	728	676	720	774	909	1,203	1,434	1,974	2,235	2,701
Total Agricultural										
Spending	16,540	19,022	20,464	22,912	23,877	28,890	27,307	28,428	34,622	38,579
Exchange Rate (\$/ECU) 9/	0.8902	0.7890	0.7631	0.9837	1.1544	1.1840	1.1017	1.2730	1.2405	1.2820
Total Agricultural										
Spending (Million \$)	14,909	15,009	15,616	22,538	27,804	34,128	30,084	36,189	42,949	49,458

NA = not available. Totals may not add in some cases due to rounding.

- 1/ Expenditure charged against the 1987 budget (Jan. 1, 1987 to Oct. 31, 1987); remainder of year budgeted against 1988.  
2/ Expenditure charged against the 1988 budget (Nov. 1, 1987 to Oct. 15, 1988); remainder of year budgeted against 1989.  
3/ Expenditure charged against the 1989 budget (Oct. 16, 1988 to Oct. 15, 1989); remainder of year budgeted against 1990.  
4/ Expenditure charged against the 1990 budget (Oct. 16, 1989 to Oct. 15, 1990); remainder of year budgeted against 1991.  
5/ Budget appropriations adopted on December 13, 1990.  
6/ 1992 appropriations.  
7/ Includes rice.  
8/ Structural programs.  
9/ 1992 figure is average of rates for January to July.

Source: EC Commission.



Appendix table 19: Setaside of arable land--five year scheme

Member State	Premium (ECU) 1990-1991	Land set-aside (ha)				Total
		1988/1990	1989/1990	1990/1991	1991/92 1/	
		-----hectares-----				
Belgium	207 Less Favored Areas					
	269 Less Favored Areas					
	362 Sandy areas					
	518 Sandy / silty areas	339	151	250	133	873
Denmark	112 - 431 Based on yield	-	-	5,520	-	5,520
France	195 - 312 Class I					
	234 - 363 Class II					
	286 - Class III					
	325 - 455 Class IV					
	338 - 481 Class V	14,220	39,702	112,653	100,000	266,575
Germany	300 - 700 Based on Land quality	165,125	57,259	71,000	179,433	472,817 3/
West Germany					74,593	
East Germany					104,840	
Greece	150 Less Favored Areas non-irrigated					
	250 Less Favored Areas irrigated					
	180 Other areas - non-irrigated					
	300 Other areas - irrigated	-	250	NA	NA	250
Ireland	242	1,141	438	187	-	1,766
Italy	380 Less Favored Areas					
	400 Other hill farms					
	400 Plains					
	600 Po plain area	91,617	266,336	250,752	NA	608,705
Luxembourg	217	6	31	48	5	90
Netherlands	700	2,582	6,155	5,869	15,000	29,606
Spain	121 Non-irrigated Less Favored Areas					
	143 Other non-irrigated areas					
	197 Other non-irrigated areas					
	257 Other non-irrigated areas					
	344 Other non-irrigated areas	34,229	13,858	36,000	NA	84,087
United Kingdom	285 Less Favored areas					
	314 Other	51,991	48,814	28,880	29,162	158,847
<b>Total</b>		<b>361,250</b>	<b>432,994</b>	<b>511,159</b>	<b>503,166</b>	<b>1,829,136</b>

1/ Provisional.

2/ Western Germany only (former East Germany had approx. 598,000 ha set-aside for 1990/91 under a separate scheme.)

3/ Includes eastern Germany for 1991/92.

Source: Home-Grown Cereals Authority. "EC Set-Aside Update" Weekly Digest 18 (35). London, March 2, 1992.

Appendix table 20: Set-aside of arable land--one year scheme applicable only in 1991/92

Member State	Premiums (ECU)	No of Participants	Land Set-Aside (ha) 1/
Belgium	150 - 327	113	977
Denmark	67 - 233	139	1,379
Germany	102 - 450	10,302	314,875
Greece	90 - 180	460	1,470
Spain	74 - 191	13,197	250,000
France	117 - 327	18,203	203,000
Ireland	145	230	2,500
Italy	200 - 255	1,020	11,603
Luxembourg	216	10	100
Netherlands	280	8	45
Portugal	100	113	4,415
United Kingdom	171 - 184	684	12,977
<b>Total</b>		<b>44,479</b>	<b>803,341</b>

1/ Provisional.

Source: Home-Grown Cereals Authority. "EC Set-Aside Update" Weekly Digest 18(35). March 1992.



Appendix table 21: Main crops in the European Community

Commodity	1988		1989		1990		1991	
	Area (1000 ha)	% of total agric. area	Area (1000 ha)	% of total agric. area	Area (1000 ha)	% of total agric. area	Area (1000 ha)	% of total agric. area
Cereals (total, excl. rice)	35,272	27.5	35,517	27.8	33,932	26.6	36,313	28.5
of which: common wheat	12,709	9.9	13,422	10.5	12,792	10.0	13,358	10.5
durum wheat	2,733	2.1	2,825	2.2	2,996	2.3	3,368	2.6
grain maize	4,121	3.2	3,975	3.1	3,502	2.7	3,905	3.1
barley	12,225	9.5	11,764	9.2	11,358	8.9	12,071	9.5
rye	923	0.7	951	0.7	945	0.7	1,198	0.9
Rice	347	0.3	331	0.3	373	0.3	366	0.3
Sugarbeet	1,847	1.4	1,865	1.5	1,894	1.5	2,017	1.6
Fodder beet	315	0.2	289	0.2	268	0.2	254	0.2
Oilseeds (total)	4,979	3.9	4,861	3.8	5,693	4.5	6,001	4.7
of which: rape	1,811	1.4	1,679	1.3	1,981	1.6	2,443	1.9
sunflower	2,145	1.7	2,099	1.6	2,635	2.1	2,401	1.9
soybeans	530	0.4	629	0.5	665	0.5	482	0.4
Textile crops	463	0.4	425	0.3	427	0.3	425	0.3
of which: Cotton	393	0.3	348	0.3	352	0.3	NA	NA
Other industrial crops	77	0.1	70	0.1	73	0.1	70	0.1
Tobacco	220	0.2	217	0.2	210	0.2	215	0.2
Hops	26	0.0	26	0.0	26	0.0	26	0.0
Potatoes	1,380	1.1	1,387	1.1	1,409	1.1	1,522	1.2
Dried pulses	1,928	1.5	1,866	1.5	1,896	1.5	1,845	1.4
Fresh vegetables (total)	1,906	1.5	1,928	1.5	1,914	1.5	1,919	1.5
of which: tomatoes	253	0.2	277	0.2	284	0.2	266	0.2
onions	95	0.1	90	0.1	93	0.1	91	0.1
garlic	56	0.0	53	0.0	49	0.0	50	0.0
carrots	67	0.1	69	0.1	69	0.1	73	0.1
Fresh fruit (total)	10,396	8.1	10,370	8.1	10,371	8.1	10,371	8.1
of which: olive trees	4,394	3.4	4,394	3.4	4,421	3.5	4,421	3.5
grapes	4,087	3.2	4,042	3.2	4,007	3.1	4,008	3.1
apples	332	0.3	330	0.3	330	0.3	329	0.3
pears	131	0.1	133	0.1	135	0.1	135	0.1
peaches	212	0.2	214	0.2	215	0.2	215	0.2
apricots	64	0.0	63	0.0	64	0.0	64	0.0
melons	118	0.1	114	0.1	109	0.1	108	0.1
Citrus fruit (total)	479	0.4	475	0.4	472	0.4	472	0.4
of which: oranges	328	0.3	322	0.3	322	0.3	322	0.3
lemons	110	0.1	106	0.1	103	0.1	103	0.1
Almonds	798	0.6	813	0.6	811	0.6	811	0.6
Flowers and ornamental plants	55	0.0	58	0.0	58	0.0	58	0.0
Fallow land and green fertilizer	4,876	3.8	5,316	4.2	5,532	4.3	5,611	4.4
Permanent grassland	48,622	38.0	48,520	38.0	48,211	37.8	48,190	37.8
Temporary grassland and grazing	4,931	3.8	4,775	3.7	4,866	3.8	4,861	3.8
Flax (straw)	71	0.1	76	0.1	79	0.1	75	0.1
Hemp (straw)	3	0.0	3	0.0	3	0.0	3	0.0
Chicory	4	0.0	5	0.0	6	0.0	7	0.0
Caraway	4	0.0	3	0.0	3	0.0	3	0.0
Total above:	118,520	92.5	118,721	92.9	118,054	92.6	120,962	94.9
Other	9,560	7.5	9,013	7.1	9,451	7.4	6,543	5.1
Total Utilized Agricultural Area	128,080	100.0	127,734	100.0	127,505	100.0	127,505	100.0

Note: 1991 figures are provisional. Total Utilized Agricultural Area estimated for 1989-91.

Source: EUROSTAT, Crop Production. Data may not agree with USDA numbers.

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Appendix table 22: Supply and use of wheat in Western Europe, 1988-92 1/

Country and year	Area harvested 1,000 ha	Yield Tons/ha	Production	Beginning stocks	Total imports	Total exports	Feed use	Non-feed use	Total consumption	Ending stocks
1,000 tons										
European Community										
Belgium-Luxembourg										
1988	204	6.48	1,321	362	1,350	887	390	1,556	1,946	200
1989	220	6.72	1,478	200	1,425	1,118	410	1,335	1,745	240
1990	224	6.22	1,394	240	2,072	1,504	570	1,422	1,992	210
1991	223	6.87	1,533	210	2,250	1,660	590	1,453	2,043	290
1992	230	6.80	1,564	290	2,300	1,750	630	1,454	2,084	320
Denmark										
1988	309	6.73	2,080	443	60	660	1,150	472	1,622	301
1989	446	7.23	3,224	301	52	1,060	1,625	527	2,152	365
1990	534	7.40	3,953	365	55	1,713	1,740	460	2,200	460
1991	521	7.04	3,670	460	50	1,350	1,900	491	2,391	439
1992	515	6.41	3,300	439	25	1,050	1,950	400	2,350	364
France										
1988	4,807	6.15	29,540	3,500	514	18,633	5,770	6,611	12,381	2,540
1989	5,000	6.42	32,100	2,540	516	18,147	5,600	6,509	12,109	4,900
1990	5,180	6.49	33,600	4,900	150	18,600	7,500	6,700	14,200	5,850
1991	5,200	6.65	34,600	5,850	200	18,000	7,400	7,600	15,000	7,650
1992	5,200	6.35	33,000	7,650	200	20,000	7,000	7,300	14,300	6,550
Germany										
1988	1,743	6.84	11,922	4,568	2,280	4,233	5,200	5,247	10,447	4,090
1989	1,777	6.21	11,032	4,090	2,028	2,997	5,100	5,181	10,281	3,872
1990	1,671	6.61	11,053	3,872	1,808	3,295	4,000	3,697	7,697	5,741
1991	2,453	6.77	16,610	5,741	1,100	4,400	5,400	6,400	11,800	7,572
1992	2,614	5.91	15,460	7,572	1,200	4,000	5,800	6,400	12,200	8,032
Greece										
1988	880	2.61	2,300	683	223	1,053	60	1,690	1,750	403
1989	890	2.23	1,984	403	313	1,012	30	1,506	1,536	152
1990	880	1.91	1,680	152	373	816	35	1,267	1,302	87
1991	1,053	2.84	2,987	87	250	880	250	1,650	1,900	544
1992	950	2.53	2,400	544	190	700	260	1,740	2,000	434
Ireland										
1988	60	6.95	417	95	328	61	300	436	736	43
1989	62	7.65	474	43	295	81	265	441	706	45
1990	72	8.35	601	45	328	146	378	351	729	99
1991	88	7.84	690	99	178	131	386	360	746	90
1992	95	7.58	720	90	175	130	415	350	765	90
Italy										
1988	2,876	2.76	7,952	2,650	4,931	3,244	1,400	9,139	10,539	1,750
1989	2,943	2.52	7,413	1,750	4,889	2,529	1,400	8,823	10,223	1,300
1990	2,773	2.92	8,108	1,300	5,500	2,700	1,600	8,958	10,558	1,650
1991	2,678	3.47	9,289	1,650	7,300	3,600	1,500	10,239	11,739	2,900
1992	2,633	3.30	8,700	2,900	6,685	3,600	1,500	10,235	11,735	2,950
Netherlands										
1988	114	7.25	827	159	1,958	692	555	1,544	2,099	153
1989	138	7.59	1,047	153	3,285	2,644	420	1,266	1,686	155
1990	141	7.63	1,076	155	1,677	1,301	571	884	1,455	152
1991	123	7.71	948	152	1,700	500	500	1,650	2,150	150
1992	130	7.69	1,000	150	1,700	475	475	1,675	2,150	225
Portugal										
1988	294	1.34	394	150	640	1	80	1,003	1,083	100
1989	334	1.81	605	100	387	5	60	988	1,048	39
1990	180	1.49	268	39	749	28	50	967	1,017	11
1991	226	1.42	322	11	700	14	90	920	1,010	9
1992	311	0.62	194	9	850	7	119	918	1,037	9
Spain										
1988	2,333	2.65	6,173	100	156	357	1,873	3,899	5,772	300
1989	2,295	2.27	5,200	300	97	527	1,200	3,845	5,045	25
1990	2,006	2.37	4,759	25	1,445	477	1,699	4,003	5,702	50
1991	2,257	2.22	5,000	50	1,548	565	1,533	4,000	5,533	500
1992	2,250	1.87	4,200	500	2,700	550	2,610	3,940	6,550	300
United Kingdom										
1988	1,886	6.23	11,750	3,025	1,271	2,327	5,230	6,314	11,544	2,175
1989	2,106	6.66	14,030	2,175	897	3,783	5,480	5,964	11,444	1,875
1990	2,050	6.83	14,000	1,875	856	4,165	5,400	5,516	10,916	1,650
1991	1,989	7.29	14,500	1,650	800	4,600	4,600	6,075	10,675	1,675
1992	2,000	6.85	13,700	1,675	800	4,500	4,500	5,675	10,175	1,500

See footnotes at end of table.

Continued--

Appendix table 22: Supply and use of wheat in Western Europe, 1988-92 1/

Country and year	Area harvested 1,000 ha	Yield Tons/ha	Production	Beginning stocks	Total imports	Total exports	Feed use	Non-feed use	Total consumption	Ending stocks
Total EC-12										
1988	15,506	4.82	74,676	15,735	13,711	32,148	22,008	37,911	59,919	12,055
1989	16,211	4.85	78,587	12,055	14,184	33,883	21,590	36,385	57,975	12,968
1990	15,711	5.12	80,492	12,968	15,013	34,745	23,543	34,225	57,768	15,960
1991	16,811	5.36	90,149	15,960	16,076	35,700	24,149	40,838	64,987	21,819
1992	16,928	4.98	84,238	21,819	16,825	36,762	25,259	40,087	65,346	20,774
East Germany										
1988	765	4.84	3,700	695	300	94	2,800	1,430	4,230	371
1989	770	4.48	3,450	371	100	50	2,300	1,550	3,850	21
1990	759	5.52	4,189	21	100	1,000	1,300	1,689	2,989	321
1991	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1992	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other Western Europe										
Austria										
1988	292	5.34	1,560	259	--	694	378	551	929	196
1989	278	4.90	1,363	196	--	319	395	567	962	278
1990	278	5.05	1,404	278	--	403	310	605	915	364
1991	271	5.07	1,375	364	--	400	460	600	1,060	279
1992	260	5.00	1,300	279	--	300	400	625	1,025	254
Finland										
1988	109	2.61	285	438	125	26	157	350	507	315
1989	151	3.36	507	315	29	25	63	370	433	393
1990	180	4.11	739	393	32	40	63	325	388	736
1991	118	3.65	431	736	25	185	81	285	366	641
1992	84	2.31	194	641	25	25	93	292	385	450
Norway										
1988	44	2.98	131	398	323	--	142	324	466	386
1989	37	4.24	157	386	182	--	83	328	411	314
1990	45	5.27	237	314	167	--	84	321	405	313
1991	50	5.14	257	313	170	--	80	320	400	340
1992	55	3.09	170	340	200	--	80	320	400	310
Sweden										
1988	251	5.16	1,295	324	53	233	486	607	1,093	346
1989	285	6.14	1,750	346	49	672	426	611	1,037	436
1990	335	6.70	2,243	436	51	1,253	502	640	1,142	335
1991	255	5.81	1,481	335	37	390	493	640	1,133	330
1992	264	5.50	1,451	330	50	100	781	650	1,431	300
Switzerland										
1988	91	5.98	544	574	255	--	212	566	778	595
1989	96	6.34	609	595	210	--	231	565	796	618
1990	97	5.63	546	618	200	--	220	551	771	593
1991	95	5.94	564	593	200	--	220	569	789	568
1992	95	5.74	545	568	250	--	220	580	800	563
Total other Western Europe										
1988	788	4.85	3,818	1,993	825	953	1,375	2,470	3,845	1,838
1989	848	5.18	4,389	1,838	556	1,016	1,198	2,530	3,728	2,039
1990	936	5.53	5,172	2,039	516	1,696	1,179	2,511	3,690	2,341
1991	790	5.20	4,111	2,341	469	975	1,334	2,454	3,788	2,158
1992	759	4.83	3,663	2,158	595	425	1,574	2,540	4,114	1,877
Total Western Europe										
1988	16,294	4.82	78,494	17,728	14,536	33,101	23,383	40,381	63,764	13,893
1989	17,059	4.86	82,976	13,893	14,740	34,899	22,788	38,915	61,703	15,007
1990	16,647	5.15	85,664	15,007	15,529	36,441	24,722	36,736	61,458	18,301
1991	17,601	5.36	94,260	18,301	16,545	36,675	25,483	43,292	68,775	23,977
1992	17,687	4.97	87,901	23,977	17,420	37,187	26,833	42,627	69,460	22,651

--/ indicates none or negligible.

NA = not available.

1/ Data for 1991 are preliminary; 1992 values are September 1992 forecasts.

Data for 1988-90 do not include the former East Germany.

Source: USDA.



Appendix table 23: Supply and use of corn in Western Europe, 1988-92 1/

Country and year	Area harvested	Yield	Production	Beginning stocks	Total imports	Total exports	Feed use	Non-feed use	Total consumption	Ending stocks
	1,000 ha	Tons/ha					1,000 tons			
European Community										
Belgium-Luxembourg										
1988	7	7.71	54	--	1,226	209	374	697	1,071	--
1989	7	7.71	54	--	1,449	29	600	874	1,474	--
1990	7	8.00	56	--	978	16	556	462	1,018	--
1991	10	7.30	73	--	1,000	200	523	350	873	--
1992	10	7.30	73	--	1,250	200	525	598	1,123	--
Denmark										
1988	--	--	--	9	50	--	15	34	49	10
1989	--	--	--	10	40	--	10	36	46	4
1990	--	--	--	4	62	--	18	44	62	4
1991	--	--	--	4	60	--	20	40	60	4
1992	--	--	--	4	60	--	20	40	60	4
France										
1988	1,995	7.31	14,578	2,197	151	6,685	5,120	1,654	6,774	3,467
1989	1,910	7.02	13,400	3,467	100	8,100	5,200	1,867	7,067	1,800
1990	1,600	5.94	9,500	1,800	150	5,300	3,200	1,900	5,100	1,050
1991	1,750	7.26	12,700	1,050	360	5,800	4,400	1,800	6,200	2,110
1992	1,780	7.25	12,900	2,110	200	6,200	4,500	1,800	6,300	2,710
Germany										
1988	199	7.72	1,536	404	1,220	210	1,580	1,095	2,675	275
1989	209	7.53	1,573	275	1,330	150	1,580	1,120	2,700	328
1990	199	7.40	1,472	328	1,300	150	1,600	1,042	2,642	308
1991	283	6.84	1,937	308	1,250	200	1,750	1,334	3,084	301
1992	299	6.75	2,018	301	1,100	250	1,468	1,400	2,868	301
Greece										
1988	228	8.11	1,850	272	100	135	1,650	128	1,778	309
1989	180	9.17	1,650	309	80	150	1,650	130	1,780	109
1990	162	8.95	1,450	109	500	400	1,450	50	1,500	159
1991	219	8.45	1,850	159	360	700	1,500	80	1,580	89
1992	190	8.68	1,650	89	380	500	1,430	80	1,510	109
Ireland										
1988	--	--	--	8	63	--	57	5	62	9
1989	--	--	--	9	68	1	18	53	71	5
1990	--	--	--	5	45	--	10	35	45	5
1991	--	--	--	5	44	--	9	36	45	4
1992	--	--	--	4	44	--	8	36	44	4
Italy										
1988	843	7.49	6,318	500	1,010	190	6,250	938	7,188	450
1989	804	7.91	6,359	450	950	150	6,200	1,009	7,209	400
1990	768	7.64	5,864	400	921	34	5,800	951	6,751	400
1991	858	7.23	6,202	400	1,350	15	6,380	1,107	7,487	450
1992	930	7.53	7,000	450	700	20	6,680	1,000	7,680	450
Netherlands										
1988	--	--	--	67	1,996	43	889	1,061	1,950	70
1989	1	6.00	8	70	2,004	14	986	1,010	1,996	70
1990	1	3.00	3	70	1,869	24	777	1,071	1,848	70
1991	1	5.00	5	70	1,800	15	900	885	1,785	75
1992	1	5.00	5	75	2,010	15	930	1,070	2,000	75
Portugal										
1988	250	2.59	647	181	594	--	1,100	172	1,272	150
1989	260	2.59	674	150	744	--	1,200	186	1,386	182
1990	272	2.36	643	182	728	--	1,202	171	1,373	180
1991	261	2.48	646	180	638	--	1,214	170	1,384	80
1992	219	2.05	450	80	870	--	1,150	170	1,320	80
Spain										
1988	556	6.40	3,557	364	2,150	450	4,691	630	5,321	300
1989	510	6.08	3,100	300	1,900	160	4,160	700	4,860	280
1990	450	6.22	2,800	280	1,523	292	3,111	800	3,911	400
1991	490	6.33	3,100	400	1,468	130	3,536	802	4,338	500
1992	360	6.39	2,300	500	1,500	100	3,200	800	4,000	200
United Kingdom										
1988	--	--	--	65	1,400	10	265	1,155	1,420	35
1989	--	--	--	35	1,535	--	260	1,270	1,530	40
1990	--	--	--	40	1,250	--	250	1,000	1,250	40
1991	--	--	--	40	1,575	--	250	1,325	1,575	40
1992	--	--	--	40	1,550	--	130	1,430	1,560	30

See footnotes at end of table.

Continued--

Appendix table 23: Supply and use of corn in Western Europe, 1988-92 1/

Country and year	Area harvested 1,000 ha	Yield Tons/ha	Production	Beginning stocks	Total imports	Total exports	Feed use 1,000 tons	Non-feed use	Total consumption	Ending stocks
EC-12										
1988	4,078	7.01	28,595	4,067	10,960	7,932	22,891	7,718	30,609	5,275
1989	3,881	6.93	26,876	5,275	11,250	8,754	22,664	8,355	31,019	3,628
1990	3,459	6.32	21,868	3,628	9,326	6,216	18,424	7,476	25,900	2,706
1991	3,872	6.85	26,513	2,706	9,905	7,060	20,482	7,929	28,411	3,653
1992	3,789	6.97	26,396	3,653	9,664	7,285	20,041	8,424	28,465	3,963
East Germany										
1988	10	5.50	55	194	1,000	NA	900	149	1,049	200
1989	10	6.00	60	200	1,050	NA	800	100	900	410
1990	30	2.67	80	410	NA	NA	450	-50	400	90
1991	NA	NA	NA	90	NA	NA	NA	NA	NA	NA
1992	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other Western Europe										
Austria										
1988	200	8.50	1,700	126	13	222	1,341	150	1,491	126
1989	194	7.69	1,491	126	18	172	1,220	154	1,374	89
1990	198	8.18	1,620	89	12	48	1,305	167	1,472	201
1991	185	8.49	1,571	201	14	115	1,426	95	1,521	150
1992	180	8.06	1,450	150	25	25	1,300	200	1,500	100
Finland										
1988	--	--	--	--	--	--	--	--	--	--
1989	--	--	--	--	--	--	--	--	--	--
1990	--	--	--	--	--	--	--	--	--	--
1991	--	--	--	--	--	--	--	--	--	--
1992	--	--	--	--	--	--	--	--	--	--
Norway										
1988	--	--	--	3	8	--	7	0	7	4
1989	--	--	--	4	8	--	7	0	7	5
1990	--	--	--	5	15	--	10	5	15	5
1991	--	--	--	5	15	--	10	5	15	5
1992	--	--	--	5	15	--	10	5	15	5
Sweden										
1988	3	4.00	12	3	--	--	12	0	12	3
1989	3	4.00	12	3	9	--	21	0	21	3
1990	3	4.00	12	3	5	--	17	0	17	3
1991	3	4.00	12	3	6	--	18	0	18	3
1992	3	4.00	12	3	5	--	17	0	17	3
Switzerland										
1988	25	9.48	237	116	150	--	370	8	378	125
1989	28	9.25	259	125	89	--	326	12	338	135
1990	27	8.63	233	135	62	--	292	13	305	125
1991	27	8.33	225	125	65	--	291	6	297	118
1992	28	8.57	240	118	65	--	300	0	300	123
Total Other Western Europe										
1988	228	8.55	1,949	248	171	222	1,730	158	1,888	258
1989	225	7.83	1,762	258	124	172	1,574	166	1,740	232
1990	228	8.18	1,865	232	94	48	1,624	185	1,809	334
1991	215	8.41	1,808	334	100	115	1,745	106	1,851	276
1992	211	8.07	1,702	276	110	25	1,627	205	1,832	231
Total Western Europe										
1988	4,306	7.09	30,544	4,315	11,131	8,154	24,621	7,876	32,497	5,533
1989	4,106	6.97	28,638	5,533	11,374	8,926	24,238	8,521	32,759	3,860
1990	3,687	6.44	23,733	3,860	9,420	6,264	20,048	7,661	27,709	3,040
1991	4,087	6.93	28,321	3,040	10,005	7,175	22,227	8,035	30,262	3,929
1992	4,000	7.02	28,098	3,929	9,774	7,310	21,668	8,629	30,297	4,194

/--/ indicates none or negligible.

NA = not available.

1/ Data for 1991 are preliminary; 1992 values are September 1992 forecasts.

Data for 1988-1990 do not include the former East Germany.

Source: USDA.



Appendix table 24: Supply and use of barley in Western Europe, 1988-92 1/

Country and year	Area harvested	Yield	Production	Beginning stocks	Total imports	Total exports	Feed use	Non-feed use	Total consumption	Ending stocks
	1,000 ha	Tons/ha	-----1,000 tons-----							
European Community										
Belgium-Luxembourg										
1988	137	5.85	802	19	1,128	487	500	937	1,437	25
1989	125	5.65	706	25	1,113	434	490	864	1,354	56
1990	107	5.53	592	56	1,906	1,099	465	924	1,389	66
1991	89	6.44	573	66	1,850	1,000	510	964	1,474	15
1992	82	6.15	504	15	1,926	900	500	1,000	1,500	45
Denmark										
1988	1,165	4.65	5,419	540	50	1,600	3,420	667	4,087	322
1989	988	5.02	4,959	322	50	1,030	3,275	372	3,647	654
1990	910	5.48	4,988	654	37	1,508	3,029	514	3,543	628
1991	944	5.34	5,041	628	40	1,450	3,130	543	3,673	586
1992	930	3.76	3,500	586	150	436	3,100	500	3,600	200
France										
1988	1,862	5.26	9,800	1,481	115	4,746	3,950	1,720	5,670	980
1989	1,810	5.44	9,840	980	80	4,350	3,900	1,800	5,700	850
1990	1,770	5.73	10,150	850	250	4,600	4,000	2,000	6,000	650
1991	1,770	6.10	10,800	650	150	4,400	4,100	2,000	6,100	1,100
1992	1,750	6.00	10,500	1,100	100	7,500	3,000	500	3,500	700
Germany										
1988	1,836	5.22	9,587	2,475	900	1,735	5,925	2,652	8,577	2,650
1989	1,746	5.56	9,716	2,650	555	1,050	6,400	2,800	9,200	2,671
1990	1,693	5.43	9,195	2,671	1,400	1,900	6,300	2,667	8,967	2,399
1991	2,535	5.70	14,449	2,399	350	2,500	8,200	3,406	11,606	4,651
1992	2,445	5.04	12,317	4,651	350	2,800	8,200	3,667	11,867	2,651
Greece										
1988	220	2.50	550	79	100	0	600	80	680	49
1989	225	2.22	500	49	140	0	600	40	640	49
1990	245	1.96	480	49	180	0	640	30	670	39
1991	185	3.03	561	39	50	0	600	0	600	50
1992	180	2.50	450	50	100	0	580	0	580	20
Ireland										
1988	266	5.15	1,370	84	2	362	750	247	997	97
1989	263	5.61	1,475	97	3	308	880	253	1,133	134
1990	237	5.60	1,328	134	8	236	800	280	1,080	154
1991	228	5.47	1,248	154	4	236	765	285	1,050	120
1992	218	5.60	1,220	120	4	214	700	300	1,000	130
Italy										
1988	450	3.47	1,561	200	888	10	2,200	339	2,539	100
1989	471	3.49	1,644	100	450	0	1,850	244	2,094	100
1990	467	3.64	1,702	100	792	0	2,145	349	2,494	100
1991	467	3.80	1,774	100	600	0	2,025	349	2,374	100
1992	420	3.93	1,650	100	750	0	2,050	350	2,400	100
Netherlands										
1988	63	4.79	302	77	648	50	550	260	810	167
1989	50	5.02	251	167	670	100	438	475	913	75
1990	40	5.48	219	75	834	64	662	328	990	74
1991	42	5.67	238	74	828	60	605	400	1,005	75
1992	45	4.56	205	75	870	55	600	420	1,020	75
Portugal										
1988	74	0.69	51	5	110	--	53	93	146	20
1989	125	0.70	87	20	66	--	50	106	156	17
1990	55	1.13	62	17	106	--	75	95	170	15
1991	70	1.14	80	15	75	--	60	95	155	15
1992	85	0.48	41	15	124	--	65	100	165	15
Spain										
1988	4,175	2.89	12,070	537	30	1,400	7,900	1,300	9,200	2,037
1989	4,260	2.14	9,100	2,037	30	1,200	7,867	1,300	9,167	800
1990	4,359	2.16	9,414	800	52	740	6,766	1,400	8,166	1,360
1991	4,371	2.09	9,141	1,360	100	700	6,700	1,801	8,501	1,400
1992	4,200	1.36	5,700	1,400	700	200	5,800	1,600	7,400	200
United Kingdom										
1988	1,913	4.55	8,705	1,560	300	2,900	4,050	2,320	6,370	1,295
1989	1,662	4.86	8,070	1,295	300	2,200	3,965	2,230	6,195	1,270
1990	1,529	5.17	7,900	1,270	212	1,900	4,000	2,162	6,162	1,320
1991	1,400	5.50	7,700	1,320	270	2,200	3,975	1,715	5,690	1,400
1992	1,350	5.56	7,500	1,400	275	2,500	4,000	1,475	5,475	1,200

See footnotes at end of table.

Continued--

Appendix table 24: Supply and use of barley in Western Europe, 1988-92 1/

Country and year	Area harvested	Yield	Production	Beginning stocks	Total imports	Total exports	Feed use	Non-feed use	Total consumption	Ending stocks
	1,000 ha	Tons/ha	-----1,000 tons-----							
EC-12										
1988	13,035	4.14	54,015	7,057	5,611	13,390	34,276	11,412	45,688	8,041
1989	12,604	4.05	51,048	8,041	4,357	10,772	34,215	11,524	45,739	6,935
1990	12,332	4.12	50,827	6,935	5,777	13,047	30,882	11,246	42,128	8,364
1991	12,101	4.26	51,605	8,364	4,317	12,546	30,670	11,558	42,228	9,512
1992	11,705	3.72	43,587	9,512	5,349	14,605	28,595	9,912	38,507	5,336
East Germany										
1988	874	4.35	3,798	436	1,340	100	4,378	797	5,175	299
1989	879	5.35	4,700	299	900	100	4,500	1,040	5,540	259
1990	920	5.21	4,797	259	--	1,000	2,000	497	2,497	1,559
1991	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1992	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other Western Europe										
Austria										
1988	292	4.68	1,366	77	--	150	940	264	1,204	89
1989	292	4.87	1,422	89	3	252	929	274	1,203	59
1990	292	5.21	1,520	59	2	274	930	282	1,212	95
1991	296	4.82	1,427	95	--	300	885	299	1,184	38
1992	290	4.83	1,400	38	--	250	925	207	1,132	56
Finland										
1988	682	2.36	1,612	195	14	11	1,080	444	1,524	286
1989	517	3.15	1,630	286	--	49	1,150	455	1,605	262
1990	486	3.54	1,720	262	--	194	1,051	363	1,414	374
1991	541	3.73	2,016	374	--	591	1,000	461	1,461	338
1992	473	2.40	1,133	338	200	--	973	379	1,352	319
Norway										
1988	173	3.14	544	102	170	--	600	45	645	171
1989	175	3.34	585	171	75	--	634	33	667	164
1990	173	4.23	731	164	100	--	707	58	765	230
1991	183	3.77	690	230	--	--	620	150	770	150
1992	180	2.78	500	150	--	--	400	100	500	150
Sweden										
1988	537	3.50	1,879	185	10	51	1,725	102	1,827	196
1989	477	3.92	1,870	196	--	79	1,578	143	1,721	266
1990	461	4.60	2,122	266	--	466	1,522	150	1,672	250
1991	460	4.21	1,935	250	--	460	1,306	199	1,505	220
1992	417	3.13	1,304	220	100	--	1,250	174	1,424	200
Switzerland										
1988	54	5.56	300	215	164	--	439	15	454	225
1989	56	6.43	360	225	60	--	400	15	415	230
1990	60	5.77	346	230	100	--	440	10	450	226
1991	60	5.93	356	226	100	--	440	23	463	219
1992	60	5.83	350	219	50	--	400	19	419	200
Total Other Western Europe										
1988	1,738	3.28	5,701	774	358	212	4,784	870	5,654	967
1989	1,517	3.87	5,867	967	138	380	4,691	920	5,611	981
1990	1,472	4.37	6,439	981	202	934	4,650	863	5,513	1,175
1991	1,540	4.17	6,424	1,175	100	1,351	4,251	1,132	5,383	965
1992	1,420	3.30	4,687	965	350	250	3,948	879	4,827	925
Total Western Europe										
1988	14,773	4.04	59,716	7,831	5,969	13,602	39,060	12,282	51,342	9,008
1989	14,121	4.03	56,915	9,008	4,495	11,152	38,906	12,444	51,350	7,916
1990	13,804	4.15	57,266	7,916	5,979	13,981	35,532	12,109	47,641	9,539
1991	13,641	4.25	58,029	9,539	4,417	13,897	34,921	12,690	47,611	10,477
1992	13,125	3.68	48,274	10,477	5,699	14,855	32,543	10,791	43,334	6,261

/--/ indicates none or negligible.  
NA = not available.  
1/ Data for 1991 are preliminary; 1992 values are September 1992 forecasts.  
Data for 1988-1990 do not include the former East Germany.  
Source: USDA.



Appendix table 25: Supply and use of rye in Western Europe, 1988-92 1/

Country and year	Area harvested	Yield	Production	Beginning stocks	Total imports	Total exports	Feed use	Non-feed use	Total consumption	Ending stocks
	1,000 ha	Tons/ha	-----1,000 tons-----							
European Community										
Belgium-Luxembourg										
1988	11	5.09	56	--	14	2	55	13	68	--
1989	11	5.09	56	--	13	2	54	13	67	--
1990	4	3.50	14	--	11	1	10	14	24	--
1991	3	5.00	15	--	11	1	11	14	25	--
1992	3	4.00	12	--	12	0	10	14	24	--
Denmark										
1988	81	4.52	366	208	0	100	150	124	274	200
1989	101	4.82	487	200	0	190	175	72	247	250
1990	110	4.95	545	250	8	68	144	129	273	462
1991	80	4.94	395	462	5	50	100	132	232	580
1992	85	3.88	330	580	5	100	100	125	225	590
France										
1988	75	3.47	260	36	2	33	190	40	230	35
1989	75	3.60	270	35	5	40	180	35	215	55
1990	65	3.69	240	55	5	25	190	30	220	55
1991	65	3.69	240	55	0	20	170	40	210	65
1992	63	3.65	230	65	0	20	170	50	220	55
Germany										
1988	390	4.19	1,634	1,034	95	123	498	1,012	1,510	1,130
1989	383	4.69	1,797	1,130	75	35	510	962	1,472	1,495
1990	412	4.72	1,944	1,495	200	225	500	960	1,460	1,954
1991	711	4.68	3,324	1,954	20	600	750	1,250	2,000	3,380
1992	617	3.93	2,424	3,380	20	800	750	1,450	2,200	2,824
Greece										
1988	15	2.07	31	--	0	0	0	26	26	5
1989	15	2.00	30	5	0	0	0	30	30	5
1990	15	2.00	30	5	0	0	0	30	30	5
1991	15	2.00	30	5	0	0	0	30	30	5
1992	15	2.00	30	5	0	0	0	30	30	5
Ireland										
1988	--	--	--	--	--	--	--	--	--	--
1989	--	--	--	--	--	--	--	--	--	--
1990	--	--	--	--	--	--	--	--	--	--
1991	--	--	--	--	--	--	--	--	--	--
1992	--	--	--	--	--	--	--	--	--	--
Italy										
1988	8	2.25	18	--	8	--	18	8	26	--
1989	8	2.63	21	--	8	--	18	11	29	--
1990	8	2.63	21	--	4	--	17	8	25	--
1991	8	2.50	20	--	6	--	19	7	26	--
1992	8	2.75	22	--	5	--	20	7	27	--
Netherlands										
1988	7	4.00	28	11	45	5	11	58	69	10
1989	7	4.71	33	10	30	12	10	45	55	6
1990	9	4.00	36	6	28	5	7	48	55	10
1991	7	4.86	34	10	26	5	5	50	55	10
1992	6	6.00	36	10	30	5	5	61	66	5
Portugal										
1988	121	0.64	77	6	--	--	7	72	79	4
1989	122	0.80	98	4	--	--	3	87	90	12
1990	98	0.79	77	12	--	--	5	74	79	10
1991	106	0.66	70	10	--	--	5	66	71	9
1992	94	0.53	50	9	--	--	5	46	51	8
Spain										
1988	222	1.61	357	--	--	25	237	95	332	--
1989	227	1.48	336	--	--	5	205	126	331	--
1990	202	1.32	267	--	2	0	139	100	239	30
1991	197	1.23	242	30	0	0	142	100	242	30
1992	190	1.00	190	30	0	0	112	108	220	--
United Kingdom										
1988	7	4.71	33	--	15	--	--	48	48	--
1989	7	5.14	36	--	15	--	--	51	51	--
1990	7	5.14	36	--	15	--	--	51	51	--
1991	9	5.56	50	--	15	--	--	65	65	--
1992	10	5.50	55	--	15	--	--	70	70	--

See footnotes at end of table.

Continued--

Appendix table 25: Supply and use of rye in Western Europe, 1988-92 1/

Country and year	Area harvested 1,000 ha	Yield Tons/ha	Production	Beginning stocks	Total imports	Total exports	Feed use 1,000 tons	Non-feed use	Total consumption	Ending stocks
EC-12										
1988	937	3.05	2,860	1,295	179	288	1,166	1,496	2,662	1,384
1989	956	3.31	3,164	1,384	146	284	1,155	1,432	2,587	1,823
1990	930	3.45	3,210	1,823	273	324	1,012	1,444	2,456	2,526
1991	1,201	3.68	4,420	2,526	83	676	1,202	1,754	2,956	4,079
1992	1,091	3.10	3,379	4,079	87	925	1,172	1,961	3,133	3,487
East Germany										
1988	607	2.94	1,785	22	40	25	755	1,050	1,805	17
1989	620	3.34	2,070	17	10	25	1,070	970	2,040	32
1990	643	3.18	2,044	32	0	200	500	694	1,194	682
1991	NA	NA	NA	682	NA	NA	NA	NA	NA	NA
1992	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other Western Europe										
Austria										
1988	88	4.05	356	86	0	90	110	162	272	80
1989	91	4.19	381	80	0	99	111	179	290	72
1990	93	4.26	396	72	0	102	117	166	283	83
1991	85	4.12	350	83	0	98	105	164	269	66
1992	80	3.94	315	66	0	30	100	182	282	69
Finland										
1988	26	1.88	49	111	51	0	10	109	119	92
1989	69	2.84	196	92	7	0	2	114	116	179
1990	81	3.23	262	179	1	0	8	97	105	337
1991	10	2.80	28	337	0	0	1	91	92	273
1992	11	2.18	24	273	0	0	2	92	94	203
Norway										
1988	1	1.00	1	45	33	--	--	36	36	43
1989	1	3.00	3	43	85	--	36	41	77	54
1990	1	3.00	3	54	30	--	12	35	47	40
1991	1	4.00	4	40	30	--	12	39	51	23
1992	1	4.00	4	23	--	--	--	22	22	5
Sweden										
1988	36	3.56	128	100	50	20	49	123	172	86
1989	68	4.69	319	86	5	83	88	117	205	122
1990	71	4.72	335	122	--	83	88	114	202	172
1991	42	3.93	165	172	--	49	67	106	173	115
1992	31	4.23	131	115	--	10	25	111	136	100
Switzerland										
1988	4	4.50	18	23	10	--	10	19	29	22
1989	4	5.50	22	22	5	--	12	13	25	24
1990	3	5.67	17	24	8	--	20	8	28	21
1991	4	5.50	22	21	5	--	23	4	27	21
1992	4	5.00	20	21	--	--	--	20	20	21
Total Other Western Europe										
1988	155	4	552	365	144	110	179	449	628	323
1989	233	4	921	323	102	182	249	464	713	451
1990	249	4	1,013	451	39	185	245	420	665	653
1991	142	4	569	653	35	147	208	404	612	498
1992	127	4	494	498	--	40	127	427	554	398
Total Western Europe										
1988	1,092	3.12	3,412	1,660	323	398	1,345	1,945	3,290	1,707
1989	1,189	3.44	4,085	1,707	248	466	1,404	1,896	3,300	2,274
1990	1,179	3.58	4,223	2,274	312	509	1,257	1,864	3,121	3,179
1991	1,343	3.71	4,989	3,179	118	823	1,410	2,158	3,568	4,577
1992	1,218	3.18	3,873	4,577	87	965	1,299	2,388	3,687	3,885

/--/ indicates none or negligible.

NA = not available.

1/ Data for 1991 are preliminary; 1992 values are September forecasts.

Data for 1988-1990 do not include the former East Germany.

Source: USDA.



Appendix table 26: Supply and use of coarse grains in Western Europe, 1988-92 1/

Country and year	Area harvested	Yield	Production	Beginning stocks	Total imports	Total exports	Feed use	Non-feed use	Total consumption	Ending stocks
	1,000 ha	Tons/ha	-----1,000 tons-----							
European Community										
Belgium-Luxembourg										
1988	177	5.69	1,008	20	2,547	726	1,166	1,657	2,823	26
1989	163	5.39	879	26	2,726	488	1,326	1,760	3,086	57
1990	142	5.37	763	57	3,049	1,146	1,248	1,408	2,656	67
1991	125	6.21	776	67	3,003	1,211	1,283	1,336	2,619	16
1992	117	5.97	698	16	3,331	1,110	1,268	1,621	2,889	46
Denmark										
1988	1,292	4.64	5,994	780	110	1,720	3,741	871	4,612	552
1989	1,119	4.98	5,578	552	100	1,230	3,556	518	4,074	926
1990	1,043	5.43	5,662	926	121	1,577	3,306	714	4,020	1,112
1991	1,048	5.31	5,569	1,112	110	1,501	3,351	751	4,102	1,188
1992	1,043	3.77	3,932	1,188	235	536	3,306	704	4,010	809
France										
1988	4,353	6.05	26,340	3,802	310	11,778	10,626	3,457	14,083	4,591
1989	4,260	5.95	25,360	4,591	195	12,852	10,716	3,733	14,449	2,845
1990	3,860	5.60	21,605	2,845	425	10,271	8,819	3,970	12,789	1,815
1991	3,996	6.41	25,630	1,815	530	10,542	10,178	3,870	14,048	3,385
1992	4,008	6.35	25,455	3,385	320	14,052	9,193	2,365	11,558	3,550
Germany										
1988	3,001	5.06	15,191	4,320	2,397	2,128	10,180	5,072	15,252	4,528
1989	2,863	5.27	15,080	4,528	2,140	1,265	10,435	5,097	15,532	4,951
1990	2,606	5.40	14,066	4,951	3,060	2,305	9,635	5,006	14,641	5,131
1991	4,107	5.51	22,612	5,131	1,672	3,341	13,130	6,573	19,703	8,737
1992	3,962	4.85	19,219	8,737	1,507	3,891	12,373	6,917	19,290	6,282
Greece										
1988	503	4.98	2,504	354	200	135	2,305	250	2,555	368
1989	460	4.87	2,242	368	220	150	2,295	217	2,512	168
1990	462	4.38	2,022	168	680	400	2,135	127	2,262	208
1991	459	5.47	2,511	208	410	700	2,145	135	2,280	149
1992	425	5.16	2,195	149	480	500	2,010	175	2,185	139
Ireland										
1988	286	5.13	1,468	100	65	372	884	255	1,139	122
1989	282	5.60	1,578	122	71	329	968	330	1,298	144
1990	256	5.59	1,432	144	53	258	875	333	1,208	163
1991	245	5.58	1,367	163	48	256	852	340	1,192	130
1992	236	5.64	1,330	130	48	234	779	356	1,135	139
Italy										
1988	1,491	5.63	8,387	740	2,129	200	9,152	1,314	10,466	590
1989	1,474	5.74	8,459	590	1,688	150	8,713	1,334	10,047	540
1990	1,425	5.62	8,007	540	1,825	34	8,459	1,339	9,798	540
1991	1,506	5.65	8,504	540	2,041	205	8,796	1,494	10,290	590
1992	1,531	5.99	9,172	590	1,585	210	9,160	1,387	10,547	590
Netherlands										
1988	83	4.70	390	179	2,801	137	1,520	1,439	2,959	274
1989	66	4.88	322	274	2,795	149	1,490	1,581	3,071	171
1990	55	5.18	285	171	2,860	122	1,539	1,479	3,018	176
1991	58	5.36	311	176	2,768	110	1,595	1,363	2,958	187
1992	58	4.81	279	187	3,010	100	1,615	1,579	3,194	182
Portugal										
1988	612	1.40	856	199	713	--	1,245	347	1,592	176
1989	695	1.42	989	176	814	--	1,373	385	1,758	221
1990	533	1.58	844	221	837	--	1,346	350	1,696	206
1991	589	1.49	876	206	723	--	1,349	341	1,690	115
1992	518	1.14	591	115	1,004	--	1,273	326	1,599	111
Spain										
1988	5,314	3.13	16,628	1,201	2,505	1,905	13,785	2,107	15,892	2,537
1989	5,442	2.45	13,314	2,537	2,175	1,395	13,159	2,392	15,551	1,080
1990	5,424	2.43	13,176	1,080	1,806	1,044	10,841	2,387	13,228	1,790
1991	5,455	2.41	13,160	1,790	1,817	840	11,230	2,767	13,997	1,930
1992	5,135	1.68	8,640	1,930	2,435	300	9,753	2,552	12,305	400
United Kingdom										
1988	2,045	4.55	9,303	1,670	1,725	2,920	4,620	3,773	8,393	1,385
1989	1,793	4.83	8,656	1,385	1,860	2,210	4,540	3,786	8,326	1,365
1990	1,647	5.16	8,506	1,365	1,487	1,910	4,560	3,483	8,043	1,405
1991	1,517	5.48	8,315	1,405	1,870	2,210	4,540	3,355	7,895	1,485
1992	1,469	5.53	8,120	1,485	1,850	2,510	4,450	3,225	7,675	1,270

See footnotes at end of table.

Continued--

Appendix table 26: Supply and use of coarse grains in Western Europe, 1988-92 1/

Country and year	Area harvested 1,000 ha	Yield Tons/ha	Production	Beginning stocks	Total imports	Total exports	Feed use	Non-feed use	Total consumption	Ending stocks
-----1,000 tons-----										
EC-12										
1988	19,157	4.60	88,069	13,365	15,502	22,021	59,224	20,542	79,766	15,149
1989	18,617	4.43	82,457	15,149	14,784	20,218	58,571	21,133	79,704	12,468
1990	17,453	4.38	76,368	12,468	16,203	19,067	52,763	20,596	73,359	12,613
1991	19,105	4.69	89,631	12,613	14,992	20,916	58,449	22,325	80,774	17,912
1992	18,502	4.30	79,631	17,912	15,805	23,443	55,180	21,207	76,387	13,518
East Germany										
1988	1,657	3.74	6,195	679	2,430	240	6,510	2,034	8,544	520
1989	1,670	4.40	7,356	520	2,010	225	6,736	2,204	8,940	721
1990	1,785	4.29	7,661	721	60	1,300	3,460	1,316	4,776	2,366
1991	NA	NA	NA	2,366	NA	NA	NA	NA	NA	NA
1992	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other Western Europe										
Austria										
1988	673	5.64	3,798	316	17	475	2,709	616	3,325	331
1989	669	5.45	3,646	331	28	555	2,563	637	3,200	250
1990	670	5.80	3,884	250	16	452	2,637	659	3,296	402
1991	651	5.63	3,668	402	22	538	2,686	601	3,287	267
1992	630	5.52	3,475	267	25	305	2,605	619	3,224	238
Finland										
1988	1,106	2.30	2,541	484	65	68	1,768	676	2,444	578
1989	1,042	3.16	3,293	578	7	546	2,055	685	2,740	592
1990	1,033	3.38	3,488	592	1	712	1,822	571	2,393	976
1991	906	3.57	3,234	976	--	1,052	1,652	672	2,324	834
1992	827	2.46	2,032	834	200	50	1,696	591	2,287	729
Norway										
1988	302	3.08	930		241	--	996	104	1,100	322
1989	311	3.25	1,010	322	243	--	1,099	96	1,195	380
1990	305	4.28	1,306	380	145	--	1,158	98	1,256	575
1991	302	4.09	1,234	575	45	--	1,073	291	1,364	490
1992	282	2.93	826	490	15	--	812	159	971	360
Sweden										
1988	1,040	3.32	3,450		60	338	2,813	353	3,166	401
1989	991	3.79	3,752	401	14	509	2,781	406	3,187	471
1990	927	4.50	4,173	471	5	1,057	2,641	369	3,010	582
1991	889	4.15	3,691	582	6	973	2,419	412	2,831	475
1992	841	2.86	2,408	475	105	60	2,184	331	2,515	413
Switzerland										
1988	99	6.37	631		424	--	989	47	1,036	505
1989	106	6.88	729	505	219	--	891	47	938	515
1990	107	6.35	679	515	232	--	892	31	923	503
1991	109	6.32	689	503	235	--	897	36	933	494
1992	110	6.33	696	494	180	--	820	70	890	480
Total Other Western Europe										
1988	3,220	3.52	11,350	800	807	881	9,275	1,796	11,071	2,137
1989	3,119	3.99	12,430	2,137	511	1,610	9,389	1,871	11,260	2,208
1990	3,042	4.45	13,530	2,208	399	2,221	9,150	1,728	10,878	3,038
1991	2,857	4.38	12,516	3,038	308	2,563	8,727	2,012	10,739	2,560
1992	2,690	3.51	9,437	2,560	525	415	8,117	1,770	9,887	2,220
Total Western Europe										
1988	22,377	4.44	99,419	14,165	16,309	22,902	68,499	22,338	90,837	17,286
1989	21,736	4.37	94,887	17,286	15,295	21,828	67,960	23,004	90,964	14,676
1990	20,495	4.39	89,898	14,676	16,602	21,288	61,913	22,324	84,237	15,651
1991	21,962	4.65	102,147	15,651	15,300	23,479	67,176	24,337	91,513	20,472
1992	21,192	4.20	89,068	20,472	16,330	23,858	63,297	22,977	86,274	15,738

/--/ indicates none or negligible.

NA = not available.

1/ Data for 1991 are preliminary; 1992 values are September 1992 forecasts.

Data for 1988-1990 do not include the former East Germany.

Source: USDA.



Appendix table 27: Supply and use of total grains in Western Europe, 1988-92 1/

Country and year	Area harvested 1,000 ha	Yield Tons/ha	Production	Beginning stocks	Total imports	Total exports	Feed use 1,000 tons	Non-feed use	Total consumption	Ending stocks
European Community										
Belgium-Luxembourg										
1988	381	6.11	2,329	382	4,057	1,721	1,556	3,265	4,821	226
1989	383	6.15	2,357	226	4,319	1,728	1,736	3,141	4,877	297
1990	366	5.89	2,157	297	5,301	2,770	1,818	2,890	4,708	277
1991	348	6.64	2,309	277	5,438	2,994	1,873	2,851	4,724	306
1992	347	6.52	2,262	306	5,776	2,952	1,898	3,128	5,026	366
Denmark										
1988	1,601	5.04	8,074	1,223	188	2,380	4,891	1,361	6,252	853
1989	1,585	5.62	8,802	853	171	2,290	5,181	1,064	6,245	1,291
1990	1,577	6.10	9,615	1,291	193	3,291	5,046	1,190	6,236	1,572
1991	1,569	5.89	9,239	1,572	180	2,851	5,251	1,262	6,513	1,627
1992	1,558	4.64	7,232	1,627	280	1,586	5,256	1,124	6,380	1,173
France										
1988	9,174	6.10	55,928	7,331	1,014	30,456	16,396	10,261	26,657	7,160
1989	9,277	6.20	57,523	7,160	937	31,054	16,316	10,454	26,770	7,796
1990	9,059	6.10	55,280	7,796	783	28,917	16,319	10,895	27,214	7,728
1991	9,216	6.54	60,301	7,728	925	28,584	17,578	11,695	29,273	11,097
1992	9,228	6.34	58,525	11,097	720	34,102	16,193	9,895	26,088	10,152
Germany										
1988	4,744	5.72	27,113	8,972	4,859	6,393	15,380	10,470	25,850	8,701
1989	4,640	5.63	26,112	8,701	4,353	4,297	15,535	10,431	25,966	8,903
1990	4,277	5.87	25,119	8,903	5,068	5,615	13,635	8,863	22,498	10,977
1991	6,560	5.98	39,222	10,977	3,017	7,786	18,530	13,269	31,799	16,324
1992	6,576	5.27	34,679	16,324	2,957	7,936	18,173	13,517	31,690	14,334
Greece										
1988	1,404	3.47	4,876	1,048	429	1,208	2,365	1,991	4,356	789
1989	1,366	3.14	4,294	789	538	1,187	2,325	1,774	4,099	335
1990	1,358	2.77	3,762	335	1,063	1,231	2,170	1,446	3,616	313
1991	1,527	3.64	5,555	313	664	1,585	2,395	1,840	4,235	712
1992	1,390	3.35	4,655	712	674	1,206	2,270	1,970	4,240	595
Ireland										
1988	346	5.45	1,885	195	398	433	1,184	696	1,880	165
1989	344	5.97	2,052	165	371	390	1,233	776	2,009	189
1990	328	6.20	2,033	189	386	404	1,253	689	1,942	262
1991	333	6.18	2,057	262	231	387	1,238	705	1,943	220
1992	331	6.19	2,050	220	228	364	1,194	711	1,905	229
Italy										
1988	4,566	3.74	17,089	3,484	7,100	3,887	10,552	10,788	21,340	2,446
1989	4,623	3.63	16,793	2,446	6,581	3,174	10,113	10,497	20,610	2,036
1990	4,413	3.87	17,087	2,036	7,330	3,314	10,059	10,651	20,710	2,429
1991	4,390	4.24	18,595	2,429	9,346	4,398	10,296	12,061	22,357	3,615
1992	4,374	4.29	18,772	3,615	8,270	4,310	10,660	12,022	22,682	3,665
Netherlands										
1988	197	6.18	1,217	364	4,909	922	2,075	3,043	5,118	450
1989	204	6.71	1,369	450	6,242	2,878	1,910	2,922	4,832	351
1990	196	6.94	1,361	351	4,702	1,508	2,110	2,443	4,553	353
1991	181	6.96	1,259	353	4,633	695	2,095	3,093	5,188	362
1992	188	6.80	1,279	362	4,875	660	2,090	3,334	5,424	432
Portugal										
1988	939	1.43	1,345	407	1,425	3	1,325	1,510	2,835	339
1989	1,062	1.59	1,690	339	1,289	21	1,433	1,537	2,970	327
1990	746	1.62	1,211	327	1,673	30	1,396	1,489	2,885	296
1991	847	1.53	1,297	296	1,486	24	1,439	1,435	2,874	181
1992	854	1.00	858	181	1,952	12	1,392	1,420	2,812	167
Spain										
1988	7,727	3.00	23,150	1,416	2,761	2,442	15,658	6,281	21,939	2,946
1989	7,796	2.41	18,752	2,946	2,392	2,058	14,359	6,509	20,868	1,164
1990	7,520	2.44	18,335	1,164	3,331	1,731	12,540	6,660	19,200	1,899
1991	7,806	2.38	18,570	1,899	3,435	1,615	12,763	7,037	19,800	2,489
1992	7,464	1.77	13,180	2,489	5,235	950	12,363	6,782	19,145	809
United Kingdom										
1988	3,931	5.36	21,053	4,695	3,231	5,257	9,850	10,312	20,162	3,560
1989	3,899	5.82	22,686	3,560	3,007	6,003	10,020	9,990	20,010	3,240
1990	3,697	6.09	22,506	3,240	2,617	6,085	9,960	9,263	19,223	3,055
1991	3,506	6.51	22,815	3,055	2,935	6,820	9,140	9,685	18,825	3,160
1992	3,469	6.29	21,820	3,160	2,900	7,020	8,950	9,140	18,090	2,770

See footnotes at end of table.

Continued—

Appendix table 27: Supply and use of total grains in Western Europe, 1988-92 1/

Country and year	Area harvested 1,000 ha	Yield Tons/ha	Production	Beginning stocks	Total imports	Total exports	Feed use 1,000 tons	Non-feed use	Total consumption	Ending stocks
EC-12										
1988	35,010	4.69	164,059	29,517	30,371	55,102	81,232	59,978	141,210	27,635
1989	35,159	4.62	162,430	27,635	30,200	55,080	80,161	59,095	139,256	25,929
1990	33,537	4.73	158,466	25,929	32,447	54,896	76,306	56,479	132,785	29,161
1991	36,283	4.99	181,219	29,161	32,290	57,739	82,598	64,933	147,531	40,093
1992	35,779	4.62	165,312	40,093	33,867	61,098	80,439	63,043	143,482	34,692
East Germany										
1988	2,422	4.09	9,895	1,390	2,756	334	9,310	3,495	12,805	902
1989	2,440	4.43	10,806	902	2,136	275	9,036	3,784	12,820	749
1990	2,544	4.66	11,850	749	190	2,300	4,760	3,036	7,796	2,693
1991	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1992	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other Western Europe										
Austria										
1988	965	5.55	5,358	575	77	1,169	3,087	1,227	4,314	527
1989	947	5.29	5,009	527	85	874	2,958	1,261	4,219	528
1990	948	5.58	5,288	528	84	856	2,947	1,331	4,278	766
1991	922	5.47	5,043	766	82	938	3,146	1,261	4,407	546
1992	890	5.37	4,775	546	95	605	3,005	1,314	4,319	492
Finland										
1988	1,215	2.33	2,826	922	210	94	1,925	1,046	2,971	893
1989	1,193	3.19	3,800	893	56	571	2,118	1,075	3,193	985
1990	1,213	3.48	4,227	985	50	752	1,885	913	2,798	1,712
1991	1,024	3.58	3,665	1,712	50	1,237	1,733	982	2,715	1,475
1992	911	2.44	2,226	1,475	250	75	1,789	908	2,697	1,179
Norway										
1988	346	3.07	1,061	649	574	--	1,138	438	1,576	708
1989	348	3.35	1,167	708	435	--	1,182	434	1,616	694
1990	350	4.41	1,543	694	322	--	1,242	429	1,671	888
1991	352	4.24	1,491	888	225	--	1,153	621	1,774	830
1992	337	2.96	996	830	225	--	892	489	1,381	670
Sweden										
1988	1,291	3.68	4,745	723	143	571	3,299	992	4,291	749
1989	1,276	4.31	5,502	749	100	1,181	3,207	1,052	4,259	911
1990	1,262	5.08	6,416	911	94	2,310	3,143	1,048	4,191	920
1991	1,144	4.52	5,172	920	83	1,363	2,912	1,092	4,004	808
1992	1,105	3.49	3,859	808	195	160	2,965	1,021	3,986	716
Switzerland										
1988	190	6.18	1,175	1,065	733	--	1,201	646	1,847	1,126
1989	202	6.62	1,338	1,126	459	--	1,122	652	1,774	1,149
1990	204	6.00	1,225	1,149	469	--	1,112	619	1,731	1,112
1991	204	6.14	1,253	1,112	468	--	1,117	643	1,760	1,073
1992	205	6.05	1,241	1,073	470	--	1,040	690	1,730	1,054
Total Other Western Europe										
1988	4,007	3.78	15,165	3,934	1,737	1,834	10,650	4,349	14,999	4,003
1989	3,966	4.24	16,816	4,003	1,135	2,626	10,587	4,474	15,061	4,267
1990	3,977	4.70	18,699	4,267	1,019	3,918	10,329	4,340	14,669	5,398
1991	3,646	4.56	16,624	5,398	908	3,538	10,061	4,599	14,660	4,732
1992	3,448	3.80	13,097	4,732	1,235	840	9,691	4,422	14,113	4,111
Total Western Europe										
1988	39,017	4.59	179,224	33,451	32,108	56,936	91,882	64,327	156,209	31,638
1989	39,125	4.58	179,246	31,638	31,335	57,706	90,748	63,569	154,317	30,196
1990	37,514	4.72	177,165	30,196	33,466	58,814	86,635	60,819	147,454	34,559
1991	39,929	4.95	197,843	34,559	33,198	61,277	92,659	69,532	162,191	44,825
1992	39,227	4.55	178,409	44,825	35,102	61,938	90,130	67,465	157,595	38,803

/--/ indicates none or negligible.

NA = not available.

1/ Data for 1991 are preliminary; 1992 values are September 1992 forecasts.

Data for 1988-1990 do not include the former East Germany.

Source: USDA.



Appendix table 28: Supply and use of rapeseed in Western Europe, 1988-92 1/

Country and year	Area harvested 1,000 ha	Yield Tons/ha	Production	Beginning stocks	Total imports	Total exports	Total use	Amount crushed	Food use	Feed, seed and waste	Ending stocks
-----1,000 tons-----											
European Community											
Belgium-Luxembourg											
1988	4	3.25	13	33	576	7	572	552	--	20	43
1989	5	3.00	15	43	639	7	655	640	--	15	35
1990	7	3.00	21	35	747	11	757	747	--	10	35
1991	10	3.00	30	35	795	15	800	790	--	10	45
1992	12	2.67	32	45	500	10	552	542	--	10	15
Denmark											
1988	199	2.53	504	--	23	197	330	255	--	75	--
1989	231	2.84	655	--	--	257	398	289	--	109	--
1990	270	2.94	793	--	2	204	591	300	--	291	--
1991	280	2.59	726	--	3	290	439	310	--	129	--
1992	180	2.22	400	--	5	--	405	310	--	95	--
France											
1988	869	2.65	2,302	70	2	1,263	1,034	1,013	--	21	77
1989	833	2.76	1,748	77	63	770	1,076	1,003	--	73	42
1990	693	2.80	1,937	42	89	998	1,067	887	--	180	3
1991	716	3.11	2,230	3	200	1,035	1,388	1,090	--	298	10
1992	678	2.75	1,864	10	120	718	1,270	980	--	290	5
Germany											
1988	385	3.16	1,216	103	1,224	192	2,313	2,305	--	8	38
1989	429	3.38	1,451	38	929	270	2,122	2,111	--	11	26
1990	570	3.02	1,720	26	790	200	2,307	2,297	--	10	29
1991	950	3.13	2,973	29	707	660	2,965	2,895	--	70	105
1992	1,001	2.56	2,559	105	465	400	2,660	2,610	--	50	69
Greece											
1988	--	--	--	--	--	--	--	--	--	--	--
1989	--	--	--	--	--	--	--	--	--	--	--
1990	--	--	--	--	--	--	--	--	--	--	--
1991	--	--	--	--	--	--	--	--	--	--	--
1992	--	--	--	--	--	--	--	--	--	--	--
Ireland											
1988	4	2.25	9	3	10	7	3	--	--	3	12
1989	4	2.25	9	12	6	19	3	--	--	3	5
1990	5	2.00	10	5	5	15	5	5	--	--	--
1991	5	2.00	10	--	5	10	5	5	--	--	--
1992	5	2.00	10	--	5	10	5	5	--	--	--
Italy											
1988	23	2.22	51	--	22	--	73	73	--	--	--
1989	16	2.50	40	--	20	--	60	60	--	--	--
1990	17	2.59	44	--	46	--	90	90	--	--	--
1991	14	2.57	36	--	20	--	56	56	--	--	--
1992	12	2.50	30	--	20	--	50	50	--	--	--
Netherlands											
1988	7	3.43	24	12	432	27	410	351	--	59	31
1989	8	3.83	23	31	365	19	374	345	--	29	26
1990	8	3.25	26	26	341	16	357	307	--	50	20
1991	7	3.00	21	20	359	15	365	320	--	45	20
1992	7	3.29	23	20	200	10	223	180	--	43	10
Portugal											
1988	--	--	--	--	--	--	--	--	--	--	--
1989	--	--	--	--	--	--	--	--	--	--	--
1990	--	--	--	--	--	--	--	--	--	--	--
1991	--	--	--	--	--	--	--	--	--	--	--
1992	--	--	--	--	--	--	--	--	--	--	--
Spain											
1988	9	1.22	11	--	2	--	13	11	--	2	--
1989	12	1.50	18	--	3	--	21	18	--	3	--
1990	24	1.25	30	--	7	--	37	32	--	5	--
1991	11	1.55	17	--	3	--	20	18	--	2	--
1992	7	1.57	11	--	2	--	13	11	--	2	--
United Kingdom											
1988	340	3.06	1,040	130	99	94	1,103	1,083	--	20	72
1989	323	2.95	953	72	195	80	1,100	1,050	--	50	40
1990	400	3.00	1,200	40	160	190	1,210	1,160	--	50	--
1991	425	3.06	1,300	--	150	150	1,300	1,200	--	100	--
1992	420	3.00	1,260	--	125	140	1,245	1,145	--	100	--

See footnotes at end of table.

Continued--

Appendix table 28: Supply and use of rapeseed in Western Europe, 1988-92 1/

Country and year	Area harvested 1,000 ha	Yield Tons/ha	Production	Beginning stocks	Total imports	Total exports	Total use	Amount crushed	Food use	Feed, seed and waste	Ending stocks
EC-12											
1988	1,840	2.81	5,170	351	2,390	1,787	5,851	5,643	--	208	273
1989	1,659	2.96	4,912	273	2,220	1,422	5,809	5,516	--	293	174
1990	1,994	2.90	5,781	174	2,187	1,634	6,421	5,825	--	596	87
1991	2,418	3.04	7,343	87	2,242	2,175	7,338	6,684	--	654	180
1992	2,322	2.67	6,189	180	1,442	1,288	6,423	5,833	--	590	100
East Germany											
1988	147	2.88	424	27	11	45	374	350	--	24	43
1989	147	2.93	430	43	--	34	399	374	--	25	40
1990	149	2.47	368	40	10	30	367	342	--	25	21
1991	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1992	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other Western Europe											
Austria											
1988	32	2.72	87	--	--	34	53	53	--	--	--
1989	35	2.74	96	--	--	2	94	94	--	--	--
1990	39	2.49	97	--	--	15	82	82	--	--	--
1991	45	2.84	128	--	--	18	110	110	--	--	--
1992	60	2.17	130	--	--	--	130	130	--	--	--
Finland											
1988	86	1.48	127	7	--	--	128	128	--	--	6
1989	74	1.62	120	6	10	--	130	130	--	--	6
1990	65	1.91	124	6	2	--	122	122	--	--	13
1991	61	1.72	105	13	2	--	117	117	--	--	3
1992	66	1.80	119	3	2	--	121	121	--	--	3
Norway											
1988	7	1.29	9	9	10	--	19	--	--	19	9
1989	7	1.29	9	9	9	--	14	--	--	14	13
1990	7	1.29	9	13	3	--	12	--	--	12	13
1991	7	1.29	9	13	3	--	18	--	--	18	7
1992	7	1.29	9	7	4	--	13	--	--	13	7
Sweden											
1988	146	1.71	249	16	12	7	256	248	--	8	14
1989	175	2.11	370	14	--	48	316	297	--	19	20
1990	163	2.25	367	20	--	83	277	272	--	5	27
1991	145	1.74	252	27	5	13	266	260	--	6	5
1992	126	1.43	180	5	28	--	210	204	--	6	3
Switzerland											
1988	17	2.94	50	--	--	--	50	49	--	1	--
1989	17	3.18	54	--	--	--	54	53	--	1	--
1990	17	2.53	43	--	--	--	43	42	--	1	--
1991	17	2.94	50	--	--	--	50	49	--	1	--
1992	17	2.82	48	--	--	--	48	47	--	1	--
Total Other Western Europe											
1988	288	1.81	522	32	22	41	506	478	--	28	29
1989	308	2.11	649	29	19	50	608	574	--	34	39
1990	291	2.20	640	39	5	98	536	518	--	18	53
1991	275	1.98	544	53	10	31	561	536	--	25	15
1992	276	1.76	486	15	34	--	522	502	--	20	13
Total Western Europe											
1988	2,128	2.67	5,692	383	2,412	1,828	6,357	6,121	--	236	302
1989	1,967	2.83	5,561	302	2,239	1,472	6,417	6,090	--	327	213
1990	2,285	2.81	6,421	213	2,192	1,732	6,957	6,343	--	614	140
1991	2,693	2.93	7,887	140	2,252	2,206	7,899	7,220	--	679	195
1992	2,598	2.57	6,675	195	1,476	1,288	6,945	6,335	--	610	113

/--/ indicates none or negligible.

NA = not available.

1/ Data for 1991 are preliminary; 1992 values are September 1992 forecasts.

Data for 1988-1990 do not include the former East Germany.

Source: USDA.



Appendix table 29: Supply and use of sunflowerseed in Western Europe, 1988-92 1/

Country and year	Area harvested 1,000 ha	Yield Tons/ha	Production	Beginning stocks	Total imports	Total exports	Total use	Amount crushed	Food use	Feed, seed and waste	Ending stocks
1,000 tons											
<b>European Community</b>											
<b>Belgium-Luxembourg</b>											
1988	--	--	--	30	267	1	262	252	--	10	34
1989	--	--	--	34	209	1	215	210	--	5	27
1990	--	--	--	27	193	2	190	187	--	3	28
1991	--	--	--	28	209	2	205	200	--	5	30
1992	--	--	--	30	210	2	208	203	--	5	30
<b>Denmark</b>											
1988	--	--	--	--	4	1	3	--	3	--	--
1989	--	--	--	--	4	1	3	--	3	--	--
1990	--	--	--	--	5	1	4	--	4	--	--
1991	--	--	--	--	5	1	4	--	4	--	--
1992	--	--	--	--	5	1	4	--	4	--	--
<b>France</b>											
1988	951	2.46	2,335	168	4	1,388	1,056	967	--	89	63
1989	907	2.34	2,125	63	10	1,136	1,040	982	--	58	22
1990	1,140	2.12	2,415	22	30	1,045	1,379	1,282	--	97	43
1991	1,028	2.47	2,540	43	10	1,080	1,523	1,385	--	138	10
1992	1,010	2.31	2,330	10	25	884	1,471	1,350	--	121	10
<b>Germany</b>											
1988	10	3.00	30	10	394	8	416	365	20	31	10
1989	15	3.20	48	10	330	10	368	315	23	30	10
1990	25	2.88	72	10	344	15	398	342	23	33	13
1991	44	2.64	116	13	335	40	411	340	26	45	15
1992	65	3.00	195	15	280	35	425	355	25	45	30
<b>Greece</b>											
1988	42	1.79	75	51	5	15	85	80	5	--	31
1989	26	2.04	53	31	5	5	50	50	--	--	34
1990	18	1.61	29	34	4	--	57	52	4	1	10
1991	14	2.50	35	10	20	1	63	60	2	1	1
1992	17	2.35	40	1	25	--	64	61	2	1	2
<b>Ireland</b>											
1988	--	--	--	--	--	--	--	--	--	--	--
1989	--	--	--	--	--	--	--	--	--	--	--
1990	--	--	--	--	--	--	--	--	--	--	--
1991	--	--	--	--	--	--	--	--	--	--	--
1992	--	--	--	--	--	--	--	--	--	--	--
<b>Italy</b>											
1988	165	2.21	365	30	105	--	465	460	5	--	35
1989	134	2.54	340	35	150	--	490	484	6	--	35
1990	173	2.33	403	35	179	--	547	540	7	--	70
1991	146	2.38	348	70	230	10	588	581	7	--	50
1992	90	2.22	200	50	265	--	485	478	7	--	30
<b>Netherlands</b>											
1988	--	--	--	10	371	5	358	358	--	--	18
1989	--	--	--	18	421	3	406	406	--	--	30
1990	--	--	--	30	405	6	424	409	10	5	5
1991	--	--	--	5	405	5	400	385	10	5	5
1992	--	--	--	5	390	10	360	350	7	3	25
<b>Portugal</b>											
1988	75	0.77	58	8	194	--	253	253	--	--	7
1989	66	0.68	45	7	230	--	265	265	--	--	17
1990	50	0.90	45	17	210	--	270	270	--	--	2
1991	47	0.72	34	2	260	--	285	285	--	--	11
1992	50	0.60	30	11	235	--	265	265	--	--	11
<b>Spain</b>											
1988	921	1.22	1,123	--	98	--	1,221	1,174	38	9	--
1989	977	0.95	929	--	71	11	989	939	40	10	--
1990	1,201	1.08	1,300	--	31	80	1,251	1,190	41	20	--
1991	1,070	0.84	900	--	100	45	955	900	42	13	--
1992	1,475	1.02	1,500	--	10	285	1,225	1,165	45	15	--
<b>United Kingdom</b>											
1988	--	--	--	20	99	--	92	92	--	--	27
1989	--	--	--	27	64	--	80	80	--	--	11
1990	--	--	--	11	32	--	38	38	--	--	5
1991	--	--	--	5	40	--	40	40	--	--	5
1992	--	--	--	5	40	--	40	40	--	--	5

See footnotes at end of table.

Continued--

Appendix table 29: Supply and use of sunflowerseed in Western Europe, 1988-92 1/

Country and year	Area harvested 1,000 ha	Yield Tons/ha	Production	Beginning stocks	Total imports	Total exports	Total use 1,000 tons	Amount crushed	Food use	Feed, seed and waste	Ending stocks
EC-12											
1988	2,164	1.84	3,986	327	1,541	1,418	4,211	4,001	71	139	225
1989	2,125	1.67	3,540	225	1,494	1,167	3,908	3 731	72	103	186
1990	2,607	1.64	4,264	186	1,433	1,149	4,558	4,310	89	159	176
1991	2,349	1.69	3,973	176	1,614	1,164	4,474	4,176	91	207	127
1992	2,707	1.59	4,295	127	1,485	1,217	4,547	4,267	90	190	143
East Germany											
1988	--	--	--	8	24	--	25	21	0	4	7
1989	--	--	--	7	22	--	22	18	0	4	7
1990	--	--	--	7	7	--	12	8	0	4	2
1991	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1992	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other Western Europe											
Austria											
1988	21	2.67	56	--	5	51	10	--	--	10	--
1989	25	2.92	73	--	10	69	14	--	--	14	--
1990	23	2.43	56	--	10	12	54	41	--	13	--
1991	25	2.96	74	--	11	14	71	58	--	13	--
1992	31	1.94	60	--	13	--	73	60	--	13	--
Finland											
1988	--	--	--	--	6	--	5	5	--	--	1
1989	--	--	--	1	3	--	4	4	--	--	--
1990	--	--	--	--	5	--	5	5	--	--	--
1991	--	--	--	--	5	--	5	5	--	--	--
1992	--	--	--	--	5	--	5	5	--	--	--
Norway											
1988	--	--	--	--	--	--	--	--	--	--	--
1989	--	--	--	--	--	--	--	--	--	--	--
1990	--	--	--	--	--	--	--	--	--	--	--
1991	--	--	--	--	--	--	--	--	--	--	--
1992	--	--	--	--	--	--	--	--	--	--	--
Sweden											
1988	--	--	--	--	7	--	7	--	7	--	--
1989	--	--	--	--	6	--	6	--	6	--	--
1990	--	--	--	--	7	--	7	--	7	--	--
1991	--	--	--	--	7	--	7	--	7	--	--
1992	--	--	--	--	7	--	7	--	7	--	--
Switzerland											
1988	--	--	--	--	14	--	14	10	--	4	--
1989	--	--	--	--	9	--	8	7	--	1	1
1990	--	--	--	1	9	--	10	10	--	--	--
1991	--	--	--	--	9	--	9	9	--	--	--
1992	--	--	--	--	9	--	9	9	--	--	--
Total Other Western Europe											
1988	21	2.67	56	--	32	51	36	15	7	14	1
1989	25	2.92	73	1	28	69	32	11	6	15	1
1990	23	2.43	56	1	31	12	76	56	7	13	--
1991	25	2.96	74	--	32	14	92	72	7	13	--
1992	31	1.94	60	--	34	--	94	74	7	13	--
Total Western Europe											
1988	2,185	1.85	4,042	327	1,573	1,469	4,247	4,016	78	153	226
1989	2,150	1.68	3,613	226	1,522	1,236	3,938	3,742	78	118	187
1990	2,630	1.64	4,320	187	1,464	1,161	4,634	4,366	96	172	176
1991	2,374	1.70	4,047	176	1,646	1,178	4,566	4,248	98	220	127
1992	2,738	1.59	4,355	127	1,519	1,217	4,641	4,341	97	203	143

/-/ indicates none or negligible.

NA = not available.

1/ Data for 1991 are preliminary; 1992 values are September 1992 forecasts.

Data for 1988-1990 do not include the former East Germany.

Source: USDA.



Appendix table 30: Supply and use of soybeans in Western Europe, 1988-92 1/

Country and year	Area harvested 1,000 ha	Yield Tons/ha	Production	Beginning stocks	Total imports	Total exports	Total use	Amount crushed	Food use	Feed, seed & waste	Ending stocks
1,000 tons											
European Community											
Belgium-Luxembourg											
1988	--	--	--	102	1,104	22	1,119	1,095	--	24	65
1989	--	--	--	65	1,142	27	1,144	1,104	15	25	36
1990	--	--	--	36	1,045	29	915	815	15	85	137
1991	--	--	--	137	1,010	35	1,015	900	15	100	97
1992	--	--	--	97	1,200	35	1,162	1,047	15	100	100
Denmark											
1988	--	--	--	15	59	1	64	59	--	5	9
1989	--	--	--	9	73	--	72	59	--	13	10
1990	--	--	--	10	29	--	39	35	--	4	--
1991	--	--	--	--	33	--	33	30	--	3	--
1992	--	--	--	--	50	--	50	50	--	--	--
France											
1988	92	2.48	228	36	244	37	450	255	5	190	21
1989	135	2.22	300	21	368	28	652	280	5	367	9
1990	117	2.11	247	9	363	15	586	180	4	402	18
1991	61	2.38	145	18	360	11	494	140	5	349	18
1992	48	2.15	103	18	390	7	486	140	6	340	18
Germany											
1988	--	--	--	75	2,494	4	2,475	2,360	31	84	90
1989	2	2.50	5	90	2,661	8	2,668	2,550	35	83	80
1990	2	2.50	5	80	2,790	5	2,790	2,655	35	100	80
1991	1	3.00	3	80	2,886	18	2,812	2,670	42	100	141
1992	1	3.00	3	141	3,200	15	3,140	3,000	40	100	189
Greece											
1988	3	2.00	6	55	240	--	280	280	--	--	21
1989	8	3.25	26	21	275	--	287	287	--	--	35
1990	7	3.14	22	35	302	--	309	309	--	--	50
1991	6	4.17	25	50	250	--	300	300	--	--	25
1992	6	4.17	25	25	270	--	292	292	--	--	28
Ireland											
1988	--	--	--	--	13	1	12	--	--	12	--
1989	--	--	--	--	14	1	13	--	--	13	--
1990	--	--	--	--	19	1	18	--	--	18	--
1991	--	--	--	--	18	--	18	--	--	18	--
1992	--	--	--	--	18	--	18	--	--	18	--
Italy											
1988	432	3.26	1,408	250	688	6	2,090	1,855	--	235	250
1989	477	3.40	1,624	250	711	1	2,334	2,064	--	270	250
1990	521	3.36	1,751	250	622	101	2,372	2,072	--	300	150
1991	410	3.23	1,325	150	1,150	25	2,400	2,100	--	300	200
1992	360	3.19	1,150	200	1,335	20	2,465	2,155	--	310	200
Netherlands											
1988	--	--	--	187	3,133	167	3,047	2,789	13	245	106
1989	--	--	--	106	3,641	231	3,388	3,297	16	75	128
1990	--	--	--	128	3,776	366	3,370	3,177	13	180	168
1991	--	--	--	168	4,032	350	3,650	3,400	15	235	200
1992	--	--	--	200	3,900	350	3,600	3,400	15	185	150
Portugal											
1988	--	--	--	19	684	--	683	483	--	200	20
1989	--	--	--	20	859	3	850	590	--	260	26
1990	--	--	1	26	964	7	936	710	--	226	48
1991	--	--	1	48	950	7	940	700	--	240	52
1992	--	--	1	52	925	9	945	715	--	230	24
Spain											
1988	7	1.86	13	60	1,951	--	1,970	1,675	5	290	54
1989	11	2.45	27	54	2,760	--	2,776	2,370	6	400	65
1990	17	2.47	42	65	2,232	4	2,324	1,869	5	450	11
1991	4	2.50	10	11	2,620	5	2,613	2,138	5	470	23
1992	10	2.50	25	23	2,725	5	2,725	2,225	5	495	43
United Kingdom											
1988	--	--	--	100	527	1	616	458	--	158	10
1989	--	--	--	10	750	--	760	685	--	75	--
1990	--	--	--	--	670	--	670	600	--	70	--
1991	--	--	--	--	475	--	475	405	--	70	--
1992	--	--	--	--	475	--	475	400	--	75	--

See footnotes at end of table.

Continued--

Appendix table 30: Supply and use of soybeans in Western Europe, 1988-92 1/

Country and year	Area harvested 1,000 ha	Yield Tons/ha	Production	Beginning stocks	Total imports	Total exports	Total use	Amount crushed	Food use	Feed, seed & waste	Ending stocks
							1,000 tons				
<b>Total EC-12</b>											
1988	534	3.10	1,655	899	11,137	239	12,806	11,309	54	1,443	646
1989	633	3.13	1,982	646	13,254	299	14,944	13,286	77	1,581	639
1990	664	3.11	2,068	639	12,812	528	14,329	12,422	72	1,835	662
1991	482	3.13	1,509	662	13,784	451	14,750	12,783	82	1,885	756
1992	425	3.08	1,307	756	14,488	441	15,358	13,424	81	1,853	752
<b>East Germany</b>											
1988	--	--	--	7	16	--	21	20	--	1	2
1989	--	--	--	2	11	--	12	11	--	1	1
1990	--	--	--	1	10	--	9	8	1	--	2
1991	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1992	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Other Western Europe</b>											
<b>Austria</b>											
1988	6	2.00	12	--	4	--	16	--	4	12	--
1989	9	1.11	10	--	4	--	14	--	4	10	--
1990	9	1.89	17	--	6	--	23	--	4	19	--
1991	15	2.47	37	--	4	--	41	--	4	37	--
1992	22	1.50	33	--	4	--	37	--	4	33	--
<b>Finland</b>											
1988	--	--	--	22	139	--	159	159	--	--	2
1989	--	--	--	2	131	--	128	128	--	--	5
1990	--	--	--	5	127	--	137	137	--	--	6
1991	--	--	--	6	154	--	155	155	--	--	5
1992	--	--	--	5	149	--	149	149	--	--	5
<b>Norway</b>											
1988	--	--	--	10	280	--	280	280	--	--	10
1989	--	--	--	10	309	--	309	309	--	--	10
1990	--	--	--	10	231	--	232	232	--	--	9
1991	--	--	--	9	270	--	270	270	--	--	9
1992	--	--	--	9	270	--	270	270	--	--	9
<b>Sweden</b>											
1988	--	--	--	--	8	1	7	--	1	6	--
1989	--	--	--	--	7	--	7	--	1	6	--
1990	--	--	--	--	7	--	7	--	1	6	--
1991	--	--	--	--	4	--	4	--	1	3	--
1992	--	--	--	--	4	--	4	--	1	3	--
<b>Switzerland</b>											
1988	1	2.00	2	--	83	--	85	81	1	3	--
1989	1	2.00	2	--	80	--	82	79	1	2	--
1990	1	3.00	3	--	80	--	83	79	1	3	--
1991	2	2.00	4	--	89	--	93	88	2	3	--
1992	2	2.00	4	--	88	--	92	87	2	3	--
<b>Total Other Western Europe</b>											
1988	7	2.00	14	32	514	1	547	520	6	21	12
1989	10	1.20	12	12	531	--	540	516	6	18	15
1990	10	2.00	20	15	451	--	482	448	6	28	15
1991	17	2.41	41	15	521	--	563	513	7	43	14
1992	24	1.54	37	14	515	--	552	506	7	39	14
<b>Total Western Europe</b>											
1988	541	3.09	1,669	931	11,651	240	13,353	11,829	60	1,464	658
1989	643	3.10	1,994	658	13,785	299	15,484	13,802	83	1,599	654
1990	674	3.10	2,088	654	13,263	528	14,811	12,870	78	1,863	677
1991	499	3.11	1,550	677	14,305	451	15,313	13,296	89	1,928	770
1992	449	2.99	1,344	770	15,003	441	15,910	13,930	88	1,892	766

/--/ indicates none or negligible.

NA = not available.

1/ Data for 1991 are preliminary; 1992 values are September 1992 forecasts.

Data for 1988-1990 do not include the former East Germany.

Source: USDA.



Appendix table 31: Supply and use of total oilseeds in Western Europe, 1988-92 1/

Country and year	Area harvested 1,000 ha	Yield Tons/ha	Production	Beginning stocks	Total imports	Total exports	Total use	Amount crushed	Food use	Feed, seed & waste	Ending stocks
-----1,000 tons-----											
European Community											
Belgium-Luxembourg											
1988	4	3.25	13	165	1,950	30	1,956	1,899	3	54	142
1989	5	3.00	15	142	1,998	36	2,019	1,954	20	45	98
1990	7	3.00	21	98	1,992	43	1,868	1,749	21	98	200
1991	10	3.00	30	200	2,020	53	2,025	1,890	20	115	172
1992	12	2.67	32	172	1,916	48	1,927	1,792	20	115	145
Denmark											
1988	199	2.53	504	15	88	199	399	316	3	80	9
1989	231	2.84	655	9	79	258	475	350	3	122	10
1990	270	2.94	793	10	38	205	636	337	4	295	--
1991	280	2.59	726	--	43	291	478	342	4	132	--
1992	180	2.22	400	--	62	1	461	362	4	95	--
France											
1988	1,912	2.54	4,865	274	309	2,689	2,598	2,254	44	300	161
1989	1,675	2.49	4,173	161	490	1,935	2,816	2,265	53	498	73
1990	1,950	2.36	4,599	73	525	2,059	3,074	2,349	46	679	64
1991	1,805	2.72	4,915	64	624	2,113	3,452	2,615	52	785	38
1992	1,736	2.48	4,297	38	592	1,616	3,277	2,470	56	751	34
Germany											
1988	395	3.15	1,246	191	4,293	214	5,372	5,086	160	126	144
1989	446	3.37	1,504	144	4,120	298	5,345	5,043	175	127	125
1990	597	3.01	1,797	125	4,111	230	5,671	5,361	164	146	132
1991	995	3.11	3,092	132	4,160	733	6,405	5,962	223	220	271
1992	1,067	2.58	2,757	271	4,182	465	6,447	6,022	225	200	298
Greece											
1988	297	1.62	481	145	248	17	783	735	5	43	74
1989	312	1.58	492	74	288	7	739	694	--	45	108
1990	290	1.26	364	108	318	4	711	681	4	26	75
1991	258	1.47	380	75	285	4	698	660	2	36	38
1992	325	1.28	415	38	310	5	711	673	2	36	47
Ireland											
1988	4	2.25	9	3	23	8	15	--	--	15	12
1989	4	2.25	9	12	20	20	16	--	--	16	5
1990	5	2.00	10	5	24	16	23	5	--	18	--
1991	5	2.00	10	--	23	10	23	5	--	18	--
1992	5	2.00	10	--	23	10	23	5	--	18	--
Italy											
1988	621	2.94	1,825	280	925	6	2,739	2,473	29	237	285
1989	628	3.19	2,005	285	995	1	2,999	2,696	30	273	285
1990	712	3.09	2,199	285	959	101	3,122	2,791	29	302	220
1991	571	2.99	1,710	220	1,518	35	3,163	2,829	31	303	250
1992	463	2.98	1,381	250	1,738	20	3,119	2,777	31	311	230
Netherlands											
1988	7	3.43	24	220	4,098	252	3,925	3,511	110	304	165
1989	8	3.83	23	165	4,630	302	4,309	4,048	146	115	207
1990	8	3.25	26	207	4,765	485	4,300	3,904	148	248	213
1991	7	3.00	21	213	4,991	425	4,555	4,105	150	300	245
1992	7	3.29	23	245	4,695	430	4,328	3,930	152	246	205
Portugal											
1988	75	0.77	58	27	928	--	986	781	5	200	27
1989	66	0.68	45	27	1,133	3	1,159	893	6	260	43
1990	50	0.92	46	43	1,215	7	1,247	1,018	3	226	50
1991	47	0.74	35	50	1,251	7	1,266	1,023	3	240	63
1992	50	0.62	31	63	1,201	9	1,251	1,018	3	230	35
Spain											
1988	1,073	1.24	1,331	60	2,096	1	3,432	2,972	83	377	54
1989	1,069	1.01	1,076	54	2,896	11	3,950	3,403	82	465	65
1990	1,327	1.14	1,511	65	2,303	88	3,780	3,101	79	600	11
1991	1,164	0.91	1,065	11	2,757	55	3,755	3,066	79	610	23
1992	1,553	1.05	1,624	23	2,796	290	4,110	3,411	82	617	43
United Kingdom											
1988	340	3.06	1,040	262	949	100	2,010	1,672	160	178	141
1989	323	2.95	953	141	1,226	85	2,173	1,880	168	125	62
1990	400	3.00	1,200	62	1,010	193	2,064	1,832	112	120	15
1991	425	3.06	1,300	15	815	153	1,962	1,675	117	170	15
1992	420	3.00	1,260	15	790	143	1,907	1,615	117	175	15

See footnotes at end of table.

Continued--

Appendix table 31: Supply and use of total oilseeds in Western Europe, 1988-92 1/

Country and year	Area harvested 1,000 ha	Yield Tons/ha	Production	Beginning stocks	Total imports	Total exports	Total use	Amount crushed	Food use	Feed, seed & waste	Ending stocks
<b>Total EC-12</b>											
1988	4,927	2.31	11,396	1,842	15,907	3,516	24,215	21,699	602	1,914	1,214
1989	4,765	2.30	10,950	1,214	17,873	2,956	26,000	23,226	683	2,091	1,081
1990	5,616	2.24	12,566	1,081	17,260	3,431	26,496	23,128	610	2,758	980
1991	5,567	2.39	13,284	980	18,487	3,879	27,782	24,172	681	2,929	1,115
1992	5,818	2.10	12,230	1,115	18,305	3,037	27,561	24,075	692	2,794	1,052
<b>East Germany</b>											
1988	147	2.88	424	42	55	45	424	395	--	29	52
1989	147	2.93	430	52	37	34	437	407	--	30	48
1990	149	2.47	368	48	31	30	392	362	1	29	25
1991	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1992	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Other Western Europe</b>											
<b>Austria</b>											
1988	59	2.63	155	--	12	85	82	53	7	22	--
1989	69	2.59	179	--	18	71	126	94	8	24	--
1990	71	2.39	170	--	20	27	163	123	8	32	--
1991	85	2.81	239	--	20	32	227	168	9	50	--
1992	113	1.97	223	--	22	--	245	190	9	46	--
<b>Finland</b>											
1988	86	1.48	127	29	145	--	292	292	--	--	9
1989	74	1.62	120	9	144	--	262	262	--	--	11
1990	65	1.91	124	11	134	--	264	264	--	--	19
1991	61	1.72	105	19	161	--	277	277	--	--	8
1992	66	1.80	119	8	156	--	275	275	--	--	8
<b>Norway</b>											
1988	7	1.29	9	19	303	--	312	290	3	19	19
1989	7	1.29	9	19	332	--	337	319	4	14	23
1990	7	1.29	9	23	244	--	254	238	4	12	22
1991	7	1.29	9	22	283	--	298	276	4	18	16
1992	7	1.29	9	16	284	--	293	276	4	13	16
<b>Sweden</b>											
1988	146	1.71	249	16	45	8	288	263	11	14	14
1989	175	2.11	370	14	31	48	347	312	10	25	20
1990	163	2.25	367	20	32	83	309	287	11	11	27
1991	145	1.74	252	27	34	13	295	275	11	9	5
1992	126	1.43	180	5	57	--	239	219	11	9	3
<b>Switzerland</b>											
1988	18	2.89	52	--	131	--	184	174	2	8	--
1989	18	3.11	56	--	122	--	177	169	4	4	1
1990	18	2.56	46	1	119	--	166	159	3	4	--
1991	19	2.84	54	--	128	--	182	174	4	4	--
1992	19	2.74	52	--	127	--	179	171	4	4	--
<b>Total Other Western Europe</b>											
1988	316	1.87	592	64	636	93	1,158	1,072	23	63	42
1989	343	2.14	734	42	647	119	1,249	1,156	26	67	55
1990	324	2.21	716	55	549	110	1,156	1,071	26	59	68
1991	317	2.08	659	68	626	45	1,279	1,170	28	81	29
1992	331	1.76	583	29	646	--	1,231	1,131	28	72	27
<b>Total Western Europe</b>											
1988	5,243	2.29	11,988	1,706	16,543	3,609	25,373	22,771	625	1,977	1,256
1989	5,108	2.29	11,684	1,256	18,520	3,075	27,249	24,382	709	2,158	1,136
1990	5,940	2.24	13,282	1,136	17,809	3,541	27,652	24,199	636	2,817	1,048
1991	5,884	2.37	13,943	1,048	19,113	3,924	29,061	25,342	709	3,010	1,144
1992	6,149	2.08	12,813	1,144	18,951	3,037	28,792	25,206	720	2,866	1,079

/--/ indicates none or negligible.

NA = not available.

1/ Data for 1991 are preliminary; 1992 values are September 1992 forecasts.

Data for 1988-1990 do not include the former East Germany.

Source: USDA.



Appendix table 32: Supply and use of sugar in Western Europe, 1988-92 1/

Country and year	Production	Beginning stocks	Total imports	Total exports	Total consumption	Human consumption	Ending stocks
-----1,000 tons-----							
European Community							
Belgium-Luxembourg							
1988	874	108	39	287	638	638	96
1989	1,005	96	34	394	610	610	131
1990	1,039	131	53	583	520	520	120
1991	1,116	120	411	1,011	486	486	150
1992	967	150	400	900	505	505	112
Denmark							
1988	422	111	5	247	250	250	41
1989	550	41	1	298	247	247	47
1990	529	47	—	269	254	254	53
1991	591	53	2	299	277	277	70
1992	508	70	16	240	285	285	69
France							
1988	3,966	1,034	361	2,535	2,116	2,116	710
1989	4,372	710	382	2,804	2,018	2,018	642
1990	4,204	642	357	2,748	2,021	2,021	434
1991	4,736	434	344	2,820	2,236	2,236	458
1992	4,423	458	342	2,630	2,104	2,104	489
Germany							
1988	2,968	707	153	1,123	2,273	2,273	432
1989	3,003	432	180	1,064	2,267	2,267	284
1990	3,339	159	207	1,292	2,384	2,384	207
1991	4,675	207	209	1,900	2,909	2,909	428
1992	4,245	428	195	1,480	2,920	2,920	468
Greece							
1988	198	46	167	—	341	341	70
1989	235	70	83	—	353	353	35
1990	421	35	82	—	360	360	178
1991	315	178	—	35	337	337	121
1992	310	121	11	15	326	326	101
Ireland							
1988	242	80	20	76	167	167	99
1989	212	99	8	60	163	163	96
1990	233	96	7	79	164	164	93
1991	227	93	7	60	163	163	104
1992	230	104	7	80	171	171	90
Italy							
1988	1,869	439	162	241	1,750	1,750	479
1989	1,609	479	120	126	1,750	1,750	332
1990	1,803	332	204	164	1,750	1,750	425
1991	1,587	425	343	120	1,763	1,763	472
1992	1,640	472	180	95	1,785	1,785	412
Netherlands							
1988	1,065	233	59	366	768	768	223
1989	1,074	223	73	446	810	810	114
1990	1,241	114	72	548	821	821	58
1991	1,341	58	152	550	876	876	125
1992	1,137	125	119	350	890	890	141
Portugal							
1988	2	60	276	6	312	312	20
1989	2	20	360	—	340	340	42
1990	2	42	334	—	330	330	48
1991	2	48	403	—	325	325	128
1992	2	128	350	—	330	330	150
Spain							
1988	1,092	240	139	130	1,171	1,171	170
1989	1,289	170	157	124	1,158	1,158	334
1990	1,037	334	197	100	1,236	1,236	232
1991	1,036	232	250	80	1,248	1,248	190
1992	1,024	190	280	90	1,265	1,265	139
United Kingdom							
1988	1,335	398	1,323	340	2,378	2,378	338
1989	1,417	338	1,429	366	2,475	2,475	343
1990	1,322	343	1,350	385	2,330	2,330	300
1991	1,360	300	1,290	255	2,420	2,420	275
1992	1,330	275	1,330	300	2,360	2,360	275

See footnotes at end of table.

Continued --

Appendix table 32: Supply and use of sugar in Western Europe, 1988-92 1/

Country and year	Production	Beginning stocks	Total imports	Total exports	Total consumption	Human consumption	Ending stocks
1,000 tons							
<b>East Germany</b>							
1988	768	148	193	449	660	660	0
1989	575	0	450	200	700	700	125
1990	748	125	275	247	725	725	123
1991	NA	NA	NA	NA	NA	NA	NA
1992	NA	NA	NA	NA	NA	NA	NA
<b>Total EC-12</b>							
1988	14,033	3,456	2,704	5,351	12,164	12,164	2,678
1989	14,768	2,678	2,827	5,682	12,191	12,191	2,400
1990	15,170	2,275	2,863	6,168	12,170	12,170	2,148
1991	16,986	2,148	3,411	7,130	13,040	13,040	2,521
1992	15,816	2,521	3,230	6,180	12,941	12,941	2,446
<b>Other Western Europe</b>							
<b>Austria</b>							
1988	390	112	--	58	367	367	77
1989	358	77	--	22	376	376	37
1990	457	37	--	64	392	392	38
1991	451	38	--	34	412	412	43
1992	466	43	--	39	428	428	42
<b>Finland</b>							
1988	70	80	115	13	216	216	36
1989	154	36	95	7	212	212	66
1990	168	66	83	32	212	212	73
1991	176	73	67	47	214	214	55
1992	161	55	74	31	213	213	46
<b>Norway</b>							
1988	--	14	171	--	160	160	25
1989	--	25	167	--	168	168	24
1990	--	24	172	--	165	165	31
1991	--	31	165	--	160	160	36
1992	--	36	160	--	160	160	36
<b>Sweden</b>							
1988	264	125	92	44	362	362	75
1989	375	75	42	47	356	356	89
1990	401	89	71	64	360	360	137
1991	419	137	34	42	364	364	184
1992	252	184	35	35	360	360	76
<b>Switzerland</b>							
1988	123	237	136	--	291	291	205
1989	150	205	141	--	296	296	200
1990	152	200	141	--	296	296	197
1991	160	197	115	--	300	300	172
1992	136	172	139	--	298	298	149
<b>Total Other Western Europe</b>							
1988	847	568	514	115	1,396	1,396	418
1989	1,037	418	445	76	1,408	1,408	416
1990	1,178	416	467	160	1,425	1,425	476
1991	1,206	476	381	123	1,450	1,450	490
1992	1,015	490	408	105	1,459	1,459	349
<b>Total Western Europe</b>							
1988	14,880	4,024	3,218	5,466	13,560	13,560	3,096
1989	15,805	3,096	3,272	5,758	13,599	13,599	2,816
1990	16,348	2,691	3,330	6,328	13,595	13,595	2,624
1991	18,192	2,624	3,792	7,253	14,490	14,490	3,011
1992	16,831	3,011	3,638	6,285	14,400	14,400	2,795

/--/ indicates none or negligible.

NA = not available.

1/ Data for 1991 are preliminary; 1992 values are September 1992 forecasts.

Data for 1988-1990 do not include the former East Germany.

Source: USDA.



Appendix table 33: Supply and use of beef and veal in Western Europe, 1988-92 1/

Country and year	Slaughter	Production	Beginning stocks	Total imports	Total exports	Consumption	Ending stocks
	-1,000 head-						
European Community							
Belgium-Luxembourg							
1988	987	323	12	22	116	235	6
1989	855	312	6	24	110	231	1
1990	931	323	1	24	129	219	--
1991	987	329	--	21	131	218	1
1992	997	332	1	22	135	218	2
Denmark							
1988	887	217	50	25	161	94	37
1989	819	205	37	29	148	106	17
1990	789	202	17	40	122	107	30
1991	820	210	30	45	125	106	54
1992	810	207	54	50	155	106	50
France							
1988	7,230	1,780	193	319	445	1,662	185
1989	6,540	1,670	185	355	520	1,670	20
1990	6,761	1,753	20	401	427	1,676	71
1991	7,020	1,800	71	415	525	1,700	61
1992	6,900	1,850	61	400	575	1,700	36
Greece							
1988	411	82	2	168	2	250	--
1989	400	82	--	160	--	240	2
1990	412	82	2	135	--	215	4
1991	385	80	4	140	--	220	4
1992	355	76	4	147	--	222	5
Ireland							
1988	1,452	458	257	28	366	68	309
1989	1,366	432	309	24	438	66	261
1990	1,583	486	261	12	363	66	330
1991	1,738	535	330	12	410	64	403
1992	1,829	564	403	11	483	65	430
Italy							
1988	4,919	1,164	100	418	93	1,549	40
1989	4,874	1,140	40	473	78	1,545	30
1990	4,884	1,165	30	457	66	1,541	45
1991	4,880	1,165	45	450	70	1,540	50
1992	4,860	1,165	50	450	70	1,540	55
Netherlands							
1988	2,216	506	25	76	314	256	37
1989	2,117	485	37	68	324	265	1
1990	2,250	521	1	87	333	275	1
1991	2,300	530	1	91	350	271	1
1992	2,325	540	1	80	340	280	1
Portugal							
1988	482	111	15	28	--	138	16
1989	525	120	16	23	--	140	19
1990	490	112	19	44	--	142	36
1991	485	111	36	36	--	144	39
1992	480	110	39	36	--	146	39
Spain							
1988	1,984	450	20	39	22	482	5
1989	1,862	451	5	44	40	457	3
1990	2,065	513	3	45	61	487	13
1991	2,020	502	13	55	55	495	20
1992	1,910	480	20	75	55	500	20
United Kingdom							
1988	3,374	945	84	418	135	1,234	78
1989	3,442	980	78	375	154	1,229	50
1990	3,525	1,003	50	317	127	1,143	100
1991	3,512	1,004	100	315	135	1,164	120
1992	3,650	1,034	120	295	150	1,219	80
Germany							
1988	5,501	1,609	268	309	473	1,443	270
1989	5,205	1,576	270	313	605	1,414	140
1990	5,943	1,792	140	346	679	1,402	197
1991	7,300	2,080	197	340	737	1,690	202
1992	6,850	1,950	202	335	655	1,700	132

See footnotes at end of table.

Continued --

Appendix table 33: Supply and use of beef and veal in Western Europe, 1988-92 1/

Country and year	Slaughter	Production	Beginning stocks	Total imports	Total exports	Consumption	Ending stocks
	--1,000 head--			1,000 tons--			
<b>Total EC-12</b>							
1988	29,443	7,645	1,026	1,850	2,127	7,411	983
1989	28,005	7,453	983	1,888	2,417	7,363	544
1990	29,633	7,952	544	1,908	2,307	7,273	827
1991	31,447	8,346	827	1,920	2,538	7,612	955
1992	30,966	8,308	955	1,901	2,618	7,696	850
<b>East Germany</b>							
1988	1,863	369	23	46	185	230	1
1989	1,689	387	1	42	232	195	16
1990	1,477	320	16	42	232	116	30
1991	NA	NA	NA	NA	NA	NA	NA
1992	NA	NA	NA	NA	NA	NA	NA
<b>Other Western Europe</b>							
<b>Austria</b>							
1988	827	222	3	3	58	169	1
1989	781	213	1	3	49	168	--
1990	825	223	--	2	56	168	1
1991	850	230	1	2	64	168	1
1992	810	222	1	2	55	169	1
<b>Finland</b>							
1988	543	111	5	3	11	103	5
1989	495	107	5	2	6	101	7
1990	506	117	7	1	10	108	7
1991	487	118	7	1	11	108	7
1992	442	108	7	--	--	108	7
<b>Norway</b>							
1988	343	75	3	2	1	78	1
1989	330	75	1	2	1	73	4
1990	352	82	4	1	8	77	2
1991	352	80	2	2	2	81	1
1992	351	84	1	1	3	80	3
<b>Sweden</b>							
1988	547	127	4	21	5	142	5
1989	585	139	5	13	7	144	6
1990	595	145	6	13	12	149	3
1991	601	149	3	14	10	153	3
1992	589	146	3	15	5	156	3
<b>Switzerland</b>							
1988	787	157	--	16	1	171	1
1989	775	157	1	12	1	168	1
1990	794	164	1	12	1	172	4
1991	790	165	4	10	1	173	5
1992	795	167	5	8	2	174	4
<b>Total Other Western Europe</b>							
1988	3,047	692	15	45	76	663	13
1989	2,966	691	13	32	64	654	18
1990	3,072	731	18	29	87	674	17
1991	3,080	742	17	29	88	683	17
1992	2,987	727	17	26	65	687	18
<b>Total Western Europe</b>							
1988	32,490	8,337	1,041	1,895	2,203	8,074	996
1989	30,971	8,144	996	1,920	2,481	8,017	562
1990	32,705	8,683	562	1,937	2,394	7,947	844
1991	34,527	9,088	844	1,949	2,626	8,295	972
1992	33,953	9,035	972	1,927	2,683	8,383	868

/--/ indicates none or negligible.

NA = not available.

1/ Data for 1991 are preliminary; 1992 values are September 1992 forecasts.

Data for 1988-1990 do not include the former East Germany.

Source: USDA.



Appendix table 34: Supply and use of pork in Western Europe, 1988-92 1/

Country and year	Slaughter --1,000 head--	Production	Beginning stocks	Total imports --1,000 tons--	Total exports	Consumption	Ending stocks
European Community							
Belgium-Luxembourg							
1988	9,294	813	9	39	344	509	8
1989	9,490	831	8	41	369	511	--
1990	8,525	770	--	69	359	480	--
1991	9,730	876	--	64	443	490	7
1992	9,415	847	7	67	430	491	--
Denmark							
1988	16,199	1,168	--	9	844	333	--
1989	15,972	1,165	--	14	842	337	--
1990	16,425	1,207	--	14	873	348	--
1991	17,000	1,260	--	14	935	339	--
1992	17,200	1,270	--	14	944	340	--
France							
1988	20,741	1,804	5	447	180	2,071	5
1989	21,130	1,840	5	445	190	2,100	--
1990	21,304	1,870	--	440	210	2,100	--
1991	21,800	1,890	--	445	240	2,095	--
1992	21,900	1,900	--	440	240	2,100	--
Germany							
1988	38,936	2,838	7	605	146	3,298	6
1989	31,391	2,684	6	606	141	3,151	4
1990	37,887	2,849	4	645	347	3,147	4
1991	43,000	3,250	4	740	200	3,811	3
1992	42,000	3,200	3	790	200	3,790	3
Greece							
1988	2,309	160	2	50	--	212	--
1989	2,260	151	--	57	--	206	2
1990	2,195	147	2	59	--	206	2
1991	2,250	151	2	60	--	211	2
1992	2,260	152	2	61	--	213	2
Ireland							
1988	2,295	148	--	18	42	124	--
1989	2,228	144	--	23	45	122	--
1990	2,384	157	--	17	51	123	--
1991	2,500	162	--	20	60	122	--
1992	2,600	168	--	20	65	123	--
Italy							
1988	11,737	1,269	45	465	58	1,700	21
1989	11,972	1,295	21	504	37	1,763	20
1990	12,134	1,333	20	522	40	1,780	55
1991	12,100	1,330	55	500	45	1,790	50
1992	12,100	1,330	50	500	50	1,795	35
Netherlands							
1988	20,061	1,632	4	53	990	689	10
1989	19,649	1,636	10	48	1,027	662	5
1990	19,942	1,661	5	52	1,056	657	5
1991	19,500	1,630	5	75	1,075	630	5
1992	19,750	1,650	5	50	1,055	645	5
Portugal							
1988	3,066	211	15	25	--	246	5
1989	3,012	216	5	30	--	247	4
1990	3,392	243	4	22	--	258	11
1991	3,400	244	11	19	--	264	10
1992	3,405	244	10	19	--	270	3
Spain							
1988	22,833	1,722	--	39	2	1,759	--
1989	22,833	1,722	--	67	4	1,785	--
1990	23,657	1,788	--	64	5	1,847	--
1991	23,600	1,780	--	70	5	1,845	--
1992	23,830	1,800	--	66	8	1,858	--
United Kingdom							
1988	15,782	1,048	30	532	59	1,524	27
1989	14,514	978	27	540	58	1,467	20
1990	14,205	962	20	525	59	1,420	28
1991	14,284	982	28	533	70	1,445	28
1992	14,555	996	28	535	63	1,469	27

See footnotes at end of table.

Continued--

Appendix table 34: Supply and use of pork in Western Europe, 1988-92 1/

Country and year	Slaughter		Beginning stocks	Total imports	Total exports	Consumption	Ending stocks
	--1,000 head--	Production					
-----1,000 tons-----							
EC-12							
1988	163,253	12,813	117	2,282	2,665	12,465	82
1989	154,451	12,662	82	2,375	2,713	12,351	55
1990	162,050	12,987	55	2,429	3,000	12,366	105
1991	169,164	13,555	105	2,540	3,073	13,042	105
1992	169,015	13,557	105	2,562	3,055	13,094	75
East Germany							
1988	14,168	1,321	7	7	270	1,058	7
1989	13,144	1,317	7	5	72	1,257	26
1990	11,020	1,100	26	--	9	1,078	39
1991	NA	NA	NA	NA	NA	NA	NA
1992	NA	NA	NA	NA	NA	NA	NA
Other Western Europe							
Austria							
1988	5,264	399	1	--	5	394	1
1989	5,295	404	1	1	5	400	--
1990	5,305	406	--	1	3	403	1
1991	5,292	405	1	1	1	405	1
1992	5,293	405	1	1	--	406	1
Finland							
1988	2,174	168	7	1	9	161	6
1989	2,183	173	6	1	14	158	8
1990	2,351	186	8	--	23	163	8
1991	2,368	184	8	--	19	165	8
1992	2,360	182	8	--	15	167	8
Norway							
1988	--	90	12	3	10	85	10
1989	--	84	10	3	6	82	9
1990	--	83	9	3	3	83	9
1991	--	84	9	2	1	85	9
1992	--	85	9	1	1	86	8
Sweden							
1988	3,720	300	5	16	40	277	4
1989	3,835	308	4	15	46	277	4
1990	3,660	293	4	16	39	272	2
1991	3,415	275	2	19	18	277	1
1992	3,320	269	1	20	7	282	1
Switzerland							
1988	3,354	279	1	2	--	281	1
1989	3,521	280	1	2	1	281	1
1990	3,478	270	1	5	1	274	1
1991	3,461	265	1	5	1	269	1
1992	3,540	268	1	7	1	271	4
Total Other Western Europe							
1988	14,512	1,236	26	22	64	1,198	22
1989	14,834	1,249	22	22	73	1,198	22
1990	14,794	1,238	22	25	69	1,195	21
1991	14,536	1,213	21	27	40	1,201	20
1992	14,513	1,209	20	29	24	1,212	22
Total Western Europe							
1988	177,765	14,049	143	2,304	2,729	13,663	104
1989	169,285	13,911	104	2,397	2,786	13,549	77
1990	176,844	14,225	77	2,454	3,069	13,561	126
1991	183,700	14,768	126	2,567	3,113	14,243	125
1992	183,528	14,766	125	2,591	3,079	14,306	97

/--/ indicates none or negligible.

NA = Not available.

1/ Data for 1991 are preliminary; 1992 values are September 1992 forecasts.

Data for 1988-1990 do not include the former East Germany.

Source: USDA.



Appendix table 35: Supply and use of lamb, mutton, and goat in Western Europe, 1988-92 1/

Country and year	Slaughter --1,000 head--	Production	Beginning stocks	Total imports 1,000 tons	Total exports	Consumption	Ending stocks
European Community							
Belgium-Luxembourg							
1988	301	7	--	15	4	18	--
1989	297	7	--	16	5	18	--
1990	329	7	--	17	4	20	--
1991	295	6	--	17	4	19	--
1992	290	6	--	17	4	19	--
Denmark							
1988	49	1	--	3	--	4	--
1989	54	2	--	3	--	5	--
1990	79	2	--	3	--	5	--
1991	90	2	--	3	--	5	--
1992	100	2	--	3	--	5	--
France							
1988	9,100	153	--	103	5	251	--
1989	9,540	160	--	120	5	275	--
1990	11,058	193	--	126	7	312	--
1991	11,000	190	--	136	7	319	--
1992	11,000	190	--	145	7	328	--
Germany							
1988	1,467	30	--	26	2	54	--
1989	1,543	31	--	33	2	62	--
1990	1,869	37	--	33	3	67	--
1991	2,300	50	--	35	9	78	--
1992	2,250	48	--	35	2	81	--
Greece							
1988	10,080	123	2	14	--	137	2
1989	10,500	130	2	22	1	145	8
1990	10,300	130	8	15	--	145	8
1991	10,000	126	8	15	--	145	4
1992	10,000	127	4	16	--	144	3
Ireland							
1988	2,139	49	--	--	26	23	--
1989	2,848	63	--	--	38	25	--
1990	3,886	85	--	--	55	30	--
1991	4,280	95	--	--	62	33	--
1992	4,400	97	--	--	63	34	--
Italy							
1988	8,467	76	--	23	2	97	--
1989	9,126	80	--	25	3	102	--
1990	9,582	85	--	23	2	106	--
1991	9,600	87	--	25	2	110	--
1992	9,650	89	--	27	2	114	--
Netherlands							
1988	455	12	--	3	5	10	--
1989	524	13	--	4	6	11	--
1990	634	16	--	4	6	14	--
1991	700	18	--	4	7	15	--
1992	710	18	--	4	6	16	--
Portugal							
1988	2,454	30	5	4	--	34	5
1989	2,577	28	5	6	--	34	5
1990	2,848	28	5	10	--	35	8
1991	2,830	28	8	12	--	38	10
1992	2,828	28	10	13	--	40	11
Spain							
1988	21,171	231	--	15	11	235	--
1989	21,181	231	--	16	7	240	--
1990	21,166	236	--	20	3	253	--
1991	22,200	248	--	18	3	263	--
1992	22,300	250	--	17	2	265	--
United Kingdom							
1988	17,114	321	27	131	76	385	18
1989	19,618	368	18	118	89	399	16
1990	20,012	371	16	129	80	414	22
1991	20,314	378	22	130	82	417	31
1992	20,104	374	31	127	95	417	20

See footnotes at end of table.

Continued--

Appendix table 35: Supply and use of lamb, mutton, and goat in Western Europe, 1988-92 1/

Country and year	Slaughter -1,000 head-	Production	Beginning stocks	Total imports -1,000 tons	Total exports	Consumption	Ending stocks
<b>EC-12</b>							
1988	72,797	1,033	34	337	131	1,248	25
1989	77,808	1,113	25	363	156	1,316	29
1990	81,763	1,190	29	380	160	1,401	38
1991	83,609	1,228	38	395	176	1,442	45
1992	83,632	1,229	45	404	181	1,463	34
<b>East Germany</b>							
1988	1,354	19	1	-	7	11	2
1989	527	11	2	-	1	9	2
1990	610	13	2	-	5	8	2
1991	NA	NA	NA	NA	NA	NA	NA
1992	NA	NA	NA	NA	NA	NA	NA
<b>Other Western Europe</b>							
<b>Austria</b>							
1988	--	--	--	--	--	--	--
1989	--	--	--	--	--	--	--
1990	--	--	--	--	--	--	--
1991	--	--	--	--	--	--	--
1992	--	--	--	--	--	--	--
<b>Finland</b>							
1988	--	--	--	--	--	--	--
1989	--	--	--	--	--	--	--
1990	--	--	--	--	--	--	--
1991	--	--	--	--	--	--	--
1992	--	--	--	--	--	--	--
<b>Norway</b>							
1988	--	--	--	--	--	--	--
1989	--	--	--	--	--	--	--
1990	--	--	--	--	--	--	--
1991	--	--	--	--	--	--	--
1992	--	--	--	--	--	--	--
<b>Sweden</b>							
1988	--	--	--	--	--	--	--
1989	--	--	--	--	--	--	--
1990	--	--	--	--	--	--	--
1991	--	--	--	--	--	--	--
1992	--	--	--	--	--	--	--
<b>Switzerland</b>							
1988	--	--	--	--	--	--	--
1989	--	--	--	--	--	--	--
1990	--	--	--	--	--	--	--
1991	--	--	--	--	--	--	--
1992	--	--	--	--	--	--	--
<b>Total Other Western Europe</b>							
1988	--	--	--	--	--	--	--
1989	--	--	--	--	--	--	--
1990	--	--	--	--	--	--	--
1991	--	--	--	--	--	--	--
1992	--	--	--	--	--	--	--
<b>Total Western Europe</b>							
1988	72,797	1,033	34	337	131	1,248	25
1989	77,808	1,113	25	363	156	1,316	29
1990	81,763	1,190	29	380	160	1,401	38
1991	83,609	1,228	38	395	176	1,442	45
1992	83,632	1,229	45	404	181	1,463	34

/--/ indicates none or negligible.

NA = Not available.

1/ Data for 1991 are preliminary; 1992 values are September 1992 forecasts.

Data for 1988-1990 do not include the former East Germany.

Source: USDA.



Appendix table 36: Supply and use of poultry in Western Europe, 1988-1992 1/

Country and year	Production	Beginning stocks	Total imports	Total exports	Consumption	Ending stocks
-----1,000 tons-----						
European Community						
Belgium-Luxembourg						
1988	186	1	45	59	172	1
1989	179	1	47	65	161	1
1990	181	1	54	77	158	1
1991	185	1	58	82	161	1
1992	188	1	58	82	164	1
Denmark						
1988	117	8	3	62	59	7
1989	128	7	6	71	60	10
1990	131	10	8	79	60	10
1991	134	10	6	81	62	7
1992	138	7	7	82	64	6
France						
1988	1,434	60	55	402	1,083	64
1989	1,550	64	71	474	1,183	28
1990	1,651	28	67	497	1,215	34
1991	1,710	34	80	530	1,240	54
1992	1,730	54	80	550	1,250	64
Germany						
1988	411	--	314	39	686	--
1989	425	--	334	52	707	--
1990	449	--	393	64	778	--
1991	600	--	435	65	970	--
1992	620	--	450	70	1,000	--
Greece						
1988	150	3	5	0	154	4
1989	154	4	7	2	157	6
1990	160	6	10	2	165	9
1991	161	9	7	2	162	13
1992	161	13	8	2	164	16
Ireland						
1988	59	--	8	5	62	1
1989	60	1	8	5	63	1
1990	60	1	8	4	64	1
1991	60	1	8	5	64	--
1992	62	--	8	5	65	--
Italy						
1988	996	--	31	12	1,015	--
1989	1,025	--	45	20	1,050	--
1990	1,069	--	44	30	1,083	--
1991	1,070	--	45	25	1,090	--
1992	1,080	--	45	30	1,095	--
Netherlands						
1988	485	23	72	337	221	22
1989	491	22	76	340	232	17
1990	0	17	113	376	260	20
1991	560	20	150	440	270	20
1992	565	20	175	460	280	20
Portugal						
1988	205	--	2	1	206	--
1989	207	--	3	0	210	--
1990	213	--	5	1	216	1
1991	220	1	6	3	221	3
1992	226	3	7	5	228	3
Spain						
1988	829	--	60	10	879	--
1989	831	--	70	6	895	--
1990	836	--	73	4	905	--
1991	875	--	73	7	941	--
1992	865	--	80	3	942	--
United Kingdom						
1988	1,056	30	79	60	1,075	30
1989	1,070	30	84	64	1,100	20
1990	1,087	20	135	62	1,155	25
1991	1,130	25	120	70	1,185	20
1992	1,170	20	95	75	1,190	20

See footnotes at end of table.

Continued--

Appendix table 36: Supply and use of poultry in Western Europe, 1988-1992 1/

Country and year	Production	Beginning stocks	Total imports	Total exports	Consumption	Ending stocks
-----1,000 tons-----						
<b>EC-12</b>						
1988	5,928	125	674	987	5,612	129
1989	6,120	129	751	1,099	5,818	83
1990	5,837	83	910	1,196	6,059	101
1991	6,705	101	988	1,310	6,366	118
1992	6,805	118	1,013	1,364	6,442	130
<b>East Germany</b>						
1988	165	105	2	8	159	105
1989	178	105	—	6	165	15
1990	150	15	5	17	153	—
1991	NA	NA	NA	NA	NA	NA
1992	NA	NA	NA	NA	NA	NA
<b>Other Western Europe</b>						
<b>Austria</b>						
1988	75	—	15	—	90	—
1989	75	—	17	—	92	—
1990	78	—	15	—	93	—
	80	—	15	—	95	—
1992	81	—	14	—	95	—
<b>Finland</b>						
1988	28	1	—	—	28	1
1989	31	1	—	—	31	1
1990	33	1	—	—	33	1
1991	36	1	—	—	36	1
1992	38	1	—	—	38	1
<b>Sweden</b>						
1988	47	6	—	—	48	5
1989	47	5	—	—	48	4
1990	47	4	—	—	48	3
1991	47	3	1	—	48	3
1992	47	3	1	—	48	3
<b>Switzerland</b>						
1988	31	—	43	1	73	—
1989	33	—	43	—	76	—
1990	33	—	40	—	73	—
1991	35	—	42	—	77	—
1992	36	—	42	—	78	—
<b>Total Other Western Europe</b>						
1988	181	7	58	1	239	6
1989	186	6	60	—	247	5
1990	191	5	55	—	247	4
1991	198	4	58	—	256	4
1992	202	4	57	—	259	4
<b>Total Western Europe</b>						
1988	6,109	132	732	988	5,851	135
1989	6,306	135	811	1,099	6,065	88
1990	6,028	88	965	1,196	6,306	105
1991	6,903	105	1,046	1,310	6,622	122
1992	7,007	122	1,070	1,364	6,701	134

/—/ indicates none or negligible.

NA = Not available.

1/ Data for 1991 are preliminary; 1992 values are September 1992 forecasts.

Data for 1988-1990 do not include the former East Germany.

Source: USDA.



Appendix table 37: Supply and use of fluid milk in Western Europe, 1988-92 1/

Country and year	Dairy cows	Cow milk production	Other milk production	Total milk production	Total imports	Total exports	Total milk consumption	Fluid use	Factory use	Feed use
European Community	--1,000 head--	1,000 tons								
Belgium-Luxembourg										
1988	954	3,915	--	3,915	73	429	3,559	601	2,771	187
1989	930	3,917	--	3,917	109	514	3,512	596	2,742	174
1990	926	3,901	--	3,901	154	478	3,577	470	2,810	297
1991	893	3,816	--	3,816	151	347	3,620	458	2,797	365
1992	865	3,700	--	3,700	150	340	3,510	435	2,775	300
Denmark										
1988	774	4,739	--	4,739	4	28	4,715	630	3,960	125
1989	764	4,747	--	4,747	3	24	4,726	627	3,974	125
1990	770	4,742	--	4,742	3	24	4,721	638	3,958	125
1991	769	4,640	--	4,640	4	23	4,621	632	3,864	125
1992	746	4,600	--	4,600	5	22	4,583	630	3,828	125
France										
1988	5,841	24,550	1,450	26,000	162	648	26,964	4,412	20,850	1,702
1989	5,574	25,766	384	26,150	151	411	26,274	4,447	20,625	1,202
1990	5,489	25,980	420	26,400	220	576	26,464	4,460	20,905	1,099
1991	5,400	25,460	420	25,880	262	605	25,957	4,460	20,397	1,100
1992	5,350	25,380	420	25,800	150	520	25,850	4,460	20,290	1,100
Germany										
1988	5,059	23,974	--	23,974	135	1,614	22,495	3,575	17,383	1,537
1989	4,950	24,242	--	24,242	127	1,517	22,852	3,902	17,450	1,500
1990	4,800	23,600	--	23,600	400	1,300	22,700	4,400	17,000	1,300
1991	5,800	28,900	--	28,900	172	1,624	27,448	7,300	18,148	2,000
1992	5,550	28,300	--	28,300	160	1,400	27,060	7,400	17,660	2,000
Greece										
1988	345	652	1,124	1,776	141	--	1,917	860	1,057	--
1989	226	675	1,163	1,838	122	--	1,960	850	1,110	--
1990	242	735	1,103	1,838	165	--	2,003	902	1,101	--
1991	245	738	1,130	1,868	168	--	2,036	917	1,119	--
1992	235	715	1,135	1,850	168	--	2,018	912	1,106	--
Ireland										
1988	1,444	5,573	--	5,573	--	29	5,544	611	4,683	250
1989	1,387	5,575	--	5,575	--	--	5,575	638	4,737	200
1990	1,400	5,595	--	5,595	60	--	5,655	632	4,823	200
1991	1,387	5,527	--	5,527	60	--	5,587	627	4,760	200
1992	1,364	5,467	--	5,467	60	--	5,527	625	4,702	200
Italy										
1988	3,024	9,951	720	10,671	1,622	2	13,011	4,353	8,658	--
1989	2,973	10,122	706	10,828	1,376	2	12,908	4,200	8,708	--
1990	2,925	10,766	725	11,491	1,204	2	13,418	4,200	9,218	--
1991	2,881	10,550	750	11,300	1,379	6	13,423	4,200	9,223	--
1992	2,750	10,330	770	11,100	1,400	4	13,266	4,200	9,066	--
Netherlands										
1988	1,946	11,356	50	11,406	643	85	12,014	1,962	9,809	243
1989	1,888	11,288	33	11,321	679	97	11,936	2,049	9,618	269
1990	1,855	11,266	19	11,285	653	103	11,854	2,081	9,479	294
1991	1,819	11,042	8	11,050	843	116	11,785	2,102	9,390	293
1992	1,785	10,880	10	10,890	1,100	125	11,875	2,115	9,470	290
Portugal										
1988	402	1,321	25	1,346	--	1	1,370	769	599	2
1989	414	1,410	10	1,420	--	11	1,419	796	621	2
1990	398	1,509	10	1,519	--	12	1,517	814	701	2
1991	403	1,539	11	1,550	--	30	1,531	820	709	2
1992	405	1,568	12	1,580	--	40	1,552	830	720	2
Spain										
1988	1,882	5,300	650	5,950	186	2	6,784	4,244	2,290	250
1989	1,880	5,336	664	6,000	211	2	6,873	4,250	2,368	255
1990	1,834	5,520	680	6,200	183	8	7,055	4,240	2,545	270
1991	1,587	5,420	680	6,100	200	10	6,970	4,200	2,500	270
1992	1,500	5,230	720	5,950	300	10	6,960	4,200	2,490	270
United Kingdom										
1988	3,166	14,880	--	14,880	47	12	14,915	7,000	7,650	265
1989	3,142	14,647	--	14,647	35	68	14,614	7,000	7,437	177
1990	3,220	14,952	--	14,952	38	91	14,899	6,981	7,623	295
1991	3,206	14,710	--	14,710	64	107	14,667	6,931	7,456	280
1992	3,149	14,750	--	14,750	70	95	14,725	6,930	7,515	280

See footnotes at end of table.

Continued--

Appendix table 37: Supply and use of fluid milk in Western Europe, 1988-92 1/

Country and year	Dairy cows	Cow milk production	Other milk production	Total milk production	Total imports	Total exports	Total milk consumption	Fluid use	Factory use	Feed use
	-1,000 head-						-1,000 tons-			
<b>EC-12</b>										
1988	24,837	106,211	4,019	110,230	3,013	2,850	113,288	29,017	79,710	4,561
1989	24,128	107,725	2,960	110,685	2,813	2,646	112,649	29,355	79,390	3,904
1990	23,859	108,566	2,957	111,523	3,080	2,594	113,863	29,818	80,163	3,882
1991	24,390	112,342	2,999	115,341	3,303	2,868	117,645	32,647	80,363	4,635
1992	23,699	110,920	3,067	113,987	3,563	2,556	116,926	32,737	79,622	4,567
<b>East Germany</b>										
1988	2,012	7,600	400	8,000	--	10	8,390	1,650	5,100	1,640
1989	2,010	8,200	--	8,200	--	10	8,190	3,290	3,000	1,900
1990	2,001	7,500	--	7,500	--	1,000	6,500	2,880	1,800	1,820
1991	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1992	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Other Western Europe</b>										
<b>Austria</b>										
1988	891	3,307	13	3,320	--	3	3,330	1,010	1,650	670
1989	887	3,305	13	3,318	--	3	3,328	1,014	1,647	667
1990	883	3,302	13	3,315	--	3	3,325	1,036	1,652	637
1991	880	3,287	13	3,300	--	3	3,310	1,050	1,650	610
1992	876	3,287	13	3,300	--	3	3,310	1,062	1,630	618
<b>Finland</b>										
1988	535	2,721	--	2,721	10	--	2,731	827	1,844	60
1989	509	2,729	--	2,729	12	--	2,741	779	1,900	62
1990	492	2,752	--	2,752	12	--	2,764	756	1,937	71
1991	443	2,442	--	2,442	12	--	2,454	738	1,656	60
1992	430	2,363	--	2,363	9	--	2,372	733	1,584	55
<b>Norway</b>										
1988	346	1,881	27	1,908	--	--	1,935	890	999	46
1989	343	1,877	26	1,903	--	--	1,929	890	994	45
1990	340	1,875	25	1,900	--	--	1,925	990	890	45
1991	340	1,875	25	1,900	--	--	1,925	990	890	45
1992	340	1,875	25	1,900	--	--	1,925	990	890	45
<b>Sweden</b>										
1988	565	3,445	--	3,445	--	10	3,435	1,351	2,026	58
1989	560	3,420	--	3,420	--	13	3,407	1,282	2,067	58
1990	555	3,520	--	3,520	--	9	3,511	1,217	2,236	58
1991	508	3,242	--	3,242	--	9	3,233	1,173	2,002	58
1992	478	3,110	--	3,110	--	9	3,101	1,132	1,912	57
<b>Switzerland</b>										
1988	786	3,746	22	3,768	23	9	3,804	709	2,465	630
1989	795	3,870	19	3,889	23	7	3,924	712	2,552	660
1990	785	3,824	19	3,843	23	1	3,884	718	2,459	707
1991	784	3,830	20	3,850	24	4	3,890	730	2,480	680
1992	784	3,825	20	3,845	25	5	3,885	720	2,475	690
<b>Other Western Europe</b>										
1988	3,123	15,100	62	15,162	33	22	15,235	4,787	8,984	1,464
1989	3,094	15,201	58	15,259	35	23	15,329	4,677	9,160	1,492
1990	3,055	15,273	57	15,330	35	13	15,409	4,717	9,174	1,518
1991	2,955	14,676	58	14,734	36	16	14,812	4,681	8,678	1,453
1992	2,908	14,460	58	14,518	34	17	14,593	4,637	8,491	1,465
<b>Total Western Europe</b>										
1988	27,960	121,311	4,081	125,392	3,046	2,872	128,523	33,804	88,694	6,025
1989	27,222	122,926	3,018	125,944	2,848	2,669	127,978	34,032	88,550	5,396
1990	26,914	123,839	3,014	126,853	3,115	2,607	129,272	34,535	89,337	5,400
1991	27,345	127,018	3,057	130,075	3,339	2,884	132,457	37,328	89,041	6,088
1992	26,607	125,380	3,125	128,505	3,597	2,573	131,519	37,374	88,113	6,032

/--/ indicates none or negligible.

NA = Not available.

1/ Data for 1991 are preliminary; 1992 values are September 1992 forecasts.

Data for 1988-1990 do not include the former East Germany.

Source: USDA.



Appendix table 38: Supply and use of butter in Western Europe, 1988-92 1/

Country and year	Production	Beginning stocks	Total imports	Total exports	Consumption	Ending stocks
-----1,000 tons-----						
European Community						
Belgium-Luxembourg						
1988	81	30	178	164	107	18
1989	89	18	124	133	69	29
1990	87	29	97	121	65	27
1991	85	27	106	128	67	23
1992	85	23	110	122	70	26
Denmark						
1988	94	5	18	60	57	--
1989	92	--	15	55	52	--
1990	93	--	11	51	49	4
1991	71	4	17	49	38	5
1992	66	5	17	53	35	--
France						
1988	521	199	109	172	477	180
1989	518	180	81	108	455	216
1990	527	216	74	105	470	242
1991	480	242	106	114	470	244
1992	500	244	65	110	470	229
Germany						
1988	390	302	135	256	511	60
1989	438	60	115	107	497	9
1990	389	9	138	40	429	67
1991	554	67	109	191	548	31
1992	500	31	129	90	530	40
Greece						
1988	5	2	5	--	11	1
1989	6	1	5	--	11	1
1990	6	1	5	--	11	1
1991	7	1	6	--	12	2
1992	7	2	5	--	12	2
Ireland						
1988	139	121	3	175	29	59
1989	156	59	4	156	20	43
1990	159	43	2	69	18	117
1991	151	117	1	119	18	132
1992	144	132	1	117	18	142
Italy						
1988	71	--	53	12	112 --	
1989	74	--	46	12	108 --	
1990	80	--	45	13	102	10
1991	80	10	48	15	100	23
1992	75	23	43	20	100	21
Netherlands						
1988	214	218	295	469	215	43
1989	213	43	72	237	62	29
1990	209	29	57	112	101	82
1991	198	82	49	194	114	21
1992	175	21	79	165	100	10
Portugal						
1988	10	3	--	5	8	--
1989	12	--	1	2	11	--
1990	15	--	1	5	11	--
1991	17	--	--	6	11	--
1992	19	--	--	7	12	--
Spain						
1988	27	27	5	14	29	16
1989	30	16	5	25	24	2
1990	46	2	5	3	22	28
1991	38	28	4	13	22	35
1992	35	35	5	23	20	32
United Kingdom						
1988	140	220	127	119	300	68
1989	130	68	117	65	217	33
1990	138	33	113	38	172	74
1991	113	74	104	39	179	73
1992	120	73	102	40	185	70

See footnotes at end of table.

Continued--

Appendix table 38: Supply and use of butter in Western Europe, 1988-92 1/

Country and year	Production	Beginning stocks	Total imports	Total exports	Consumption	Ending stocks
-----1,000 tons-----						
EC-12						
1988	1,692	1,127	928	1,446	1,856	445
1989	1,758	445	585	900	1,526	362
1990	1,749	362	548	557	1,450	652
1991	1,794	652	550	868	1,579	589
1992	1,726	589	556	747	1,552	572
East Germany						
1988	310	30	2	57	258	27
1989	273	27	2	65	200	37
1990	251	37	--	113	145	30
1991	--	--	--	--	--	--
1992	--	--	--	--	--	--
Other Western Europe						
Austria						
1988	42	2	--	1	41	2
1989	41	2	--	2	40	1
1990	40	1	--	1	40	--
1991	42	--	--	1	41	--
1992	42	--	--	1	41	--
Finland						
1988	61	10	--	20	40	11
1989	63	11	--	21	39	14
1990	63	14	--	37	33	7
1991	54	7	--	18	38	5
1992	52	5	--	15	37	5
Norway						
1988	23	4	--	7	16	4
1989	26	4	--	7	19	4
1990	29	4	--	7	22	4
1991	26	4	--	7	19	4
1992	26	4	--	9	16	5
Sweden						
1988	61	2	--	8	51	4
1989	70	4	--	18	48	8
1990	76	8	--	32	48	4
1991	65	4	--	23	45	1
1992	60	1	--	15	45	1
Switzerland						
1988	36	5	8 --		44	5
1989	39	5	3 --		42	5
1990	38	5	4 --		42	5
1991	37	5	5 --		42	5
1992	37	5	5 --		42	5
Other Western Europe						
1988	223	23	8	36	192	26
1989	239	26	3	48	188	32
1990	246	32	4	77	185	20
1991	224	20	5	49	185	15
1992	217	15	5	40	181	16
Total Western Europe						
1988	1,915	1,150	936	1,482	2,048	471
1989	1,997	471	588	948	1,714	394
1990	1,995	394	552	634	1,635	672
1991	2,018	672	555	917	1,764	604
1992	1,943	604	561	787	1,733	588

/-/ indicates none or negligible.

1/ Data for 1991 are preliminary; 1992 values are September 1992 forecasts.

Data for 1988-1990 do not include the former East Germany.

Source: USDA.



Appendix table 39: Supply and use of cheese in Western Europe, 1988-92 1/

Country and year	Production	Beginning stocks	Total imports	Total exports	Consumption	Ending stocks
-----1,000 tons-----						
European Community						
Belgium-Luxembourg						
1988	37	2	102	25	114	2
1989	38	2	111	26	122	3
1990	42	3	142	70	114	3
1991	41	3	152	78	115	3
1992	41	3	161	84	118	3
Denmark						
1988	258	37	11	195	80	31
1989	275	31	15	216	72	33
1990	293	33	17	226	74	43
1991	285	43	20	231	78	39
1992	293	39	20	238	79	35
France						
1988	1,378	66	98	298	1,227	17
1989	1,485	17	103	320	1,254	31
1990	1,471	31	101	343	1,260	--
1991	1,494	--	107	327	1,274	--
1992	1,510	--	110	330	1,285	5
Germany						
1988	585	29	292	265	596	45
1989	610	45	309	266	626	72
1990	610	72	343	290	645	90
1991	750	90	367	272	850	85
1992	780	85	380	275	865	85
Greece						
1988	203	69	35	6	228	73
1989	210	73	30	10	230	73
1990	200	73	43	11	232	73
1991	210	73	40	10	236	77
1992	205	77	43	12	235	78
Ireland						
1988	75	9	7	74	15	12
1989	74	12	7	61	15	17
1990	72	17	9	72	17	9
1991	73	9	10	62	18	12
1992	80	12	10	72	18	12
Italy						
1988	737	411	302	63	952	435
1989	760	435	301	70	965	461
1990	811	461	289	75	975	511
1991	810	511	291	89	980	543
1992	790	543	290	100	980	543
Netherlands						
1988	559	79	53	400	215	76
1989	568	76	61	420	213	72
1990	593	72	69	433	206	95
1991	609	95	78	473	207	102
1992	618	102	70	475	210	105
Portugal						
1988	44	2	5	6	45	--
1989	55	--	2	3	54	--
1990	49	--	3	2	50	--
1991	49	--	4	3	50	--
1992	48	--	5	3	50	--
Spain						
1988	120	28	34	4	150	28
1989	123	28	40	6	155	30
1990	133	30	46	7	172	30
1991	140	30	50	8	181	31
1992	150	31	52	10	191	32
United Kingdom						
1988	299	113	198	28	436	146
1989	280	146	179	36	433	136
1990	316	136	202	40	469	145
1991	312	145	192	51	455	143
1992	280	143	180	40	443	120

See footnotes at end of table.

Continued--

Appendix table 39: Supply and use of cheese in Western Europe, 1988-92

Country and year	Production	Beginning stocks	Total imports	Total exports	Consumption	Ending stocks
-----1,000 tons-----						
EC-12						
1988	4,295	845	1,137	1,364	4,058	865
1989	4,478	865	1,158	1,434	4,139	928
1990	4,590	928	1,284	1,569	4,214	999
1991	4,773	999	1,311	1,604	4,444	1,035
1992	4,775	1,035	1,321	1,639	4,474	1,018
East Germany						
1988	264	58	8	42	234	54
1989	275	54	5	--	290	44
1990	139	44	55	--	238	--
1991	--	--	--	--	--	--
1992	--	--	--	--	--	--
Other Western Europe						
Austria						
1988	84	7	11	37	56	9
1989	88	9	10	35	63	9
1990	87	9	11	36	62	9
1991	85	9	11	34	63	8
1992	84	8	11	33	64	6
Finland						
1988	75	8	1	27	51	6
1989	78	6	2	22	54	10
1990	81	10	2	26	54	13
1991	73	13	2	22	55	11
1992	72	11	2	20	56	9
Norway						
1988	74	19	2	23	55	17
1989	76	17	2	22	55	18
1990	76	18	2	22	55	19
1991	76	19	2	22	55	20
1992	76	20	2	22	56	20
Sweden						
1988	115	37	16	3	125	40
1989	109	40	17	4	122	40
1990	108	40	21	4	129	36
1991	107	36	22	2	129	34
1992	109	34	23	1	130	35
Switzerland						
1988	134	16	24	60	96	18
1989	137	18	25	64	97	19
1990	138	19	26	62	101	20
1991	139	20	25	63	100	21
1992	140	21	25	62	102	22
Total Other Western Europe						
1988	482	87	54	150	383	90
1989	488	90	56	147	391	96
1990	490	96	62	150	401	97
1991	480	97	62	143	402	94
1992	481	94	63	138	408	92
Total Western Europe						
1988	4,777	932	1,191	1,514	4,441	955
1989	4,966	955	1,214	1,581	4,530	1,024
1990	5,080	1,024	1,326	1,719	4,615	1,096
1991	5,253	1,096	1,373	1,747	4,846	1,129
1992	5,256	1,129	1,384	1,777	4,882	1,110

/--/ indicates none or negligible.

NA = Not available.

1/ Data for 1991 are preliminary; 1992 values are September 1992 forecasts.

Data for 1988-1990 do not include the former East Germany.

Source: USDA.



Appendix table 40: Supply and use of nonfat dry milk in Western Europe, 1988-92 1/

Country and year	Production	Total imports	Total exports	Consumption
-----1,000 tons-----				
European Community				
Belgium-Luxembourg				
1988	83	21	51	50
1989	98	20	85	35
1990	94	30	63	42
1991	95	28	65	50
1992	98	31	72	55
Denmark				
1988	7	10	5	12
1989	13	6	4	15
1990	41	6	33	14
1991	17	8	12	13
1992	13	8	9	12
France				
1988	490	76	52	557
1989	492	40	161	360
1990	580	27	250	359
1991	455	66	160	358
1992	500	40	185	360
Germany				
1988	398	66	840	125
1989	450	61	383	82
1990	420	55	300	90
1991	528	22	431	229
1992	480	20	360	170
Greece				
1988	--	10	--	10
1989	--	10	--	10
1990	--	10	--	10
1991	--	10	--	10
1992	--	10	--	10
Ireland				
1988	100	6	88	11
1989	140	1	135	10
1990	200	1	96	11
1991	188	2	86	11
1992	155	2	146	11
Italy				
1988	1	210	1	210
1989	--	172	--	172
1990	--	178	--	178
1991	--	183	--	183
1992	--	183	--	183
Netherlands				
1988	87	372	219	240
1989	83	248	167	164
1990	70	217	115	170
1991	53	233	74	201
1992	57	220	75	205
Portugal				
1988	9	--	4	9
1989	10	3	2	11
1990	15	1	4	10
1991	17	--	8	9
1992	19	--	9	9
Spain				
1988	29	12	22	36
1989	31	12	13	30
1990	46	16	30	18
1991	30	17	22	16
1992	25	17	23	23
United Kingdom				
1988	136	9	83	65
1989	133	16	81	69
1990	166	7	104	67
1991	132	8	71	71
1992	130	8	80	59

See footnotes at end of table.

Continued--

Appendix table 40: Supply and use of nonfat dry milk in Western Europe, 1988-92 1/

Country and year		Production	Total imports	Total exports	Consumption
-----1,000 tons-----					
<b>EC-12</b>					
	1988	1,340	792	1,363	1,325
	1989	1,450	589	1,031	958
	1990	1,632	548	995	969
	1991	1,515	577	929	1,151
	1992	1,475	539	959	1,097
<b>East Germany</b>					
	1988	48	5	10	45
	1989	50	--	12	36
	1990	89	--	12	77
	1991	NA	NA	NA	NA
	1992	NA	NA	NA	NA
<b>Other Western Europe</b>					
<b>Austria</b>					
	1988	23	--	4	16
	1989	21	--	12	11
	1990	24	--	14	9
	1991	26	--	15	12
	1992	25	--	13	11
<b>Finland</b>					
	1988	28	--	5	20
	1989	26	--	2	17
	1990	22	--	3	22
	1991	15	--	3	16
	1992	15	--	2	16
<b>Norway</b>					
	1988	--	--	--	--
	1989	--	--	--	--
	1990	--	--	--	--
	1991	--	--	--	--
	1992	--	--	--	--
<b>Sweden</b>					
	1988	36	1	11	32
	1989	48	1	17	23
	1990	51	2	31	26
	1991	29	4	18	20
	1992	20	2	--	24
<b>Switzerland</b>					
	1988	36	--	2	32
	1989	33	--	3	29
	1990	32	--	2	30
	1991	31	--	2	30
	1992	31	--	2	30
<b>Other Western Europe</b>					
	1988	123	1	22	100
	1989	128	1	34	80
	1990	129	2	50	87
	1991	101	4	38	78
	1992	91	2	17	81
<b>Total Western Europe</b>					
	1988	1,463	793	1,385	1,425
	1989	1,578	590	1,065	1,038
	1990	1,761	550	1,045	1,056
	1991	1,616	581	967	1,229
	1992	1,566	541	976	1,178

/--/ indicates none or negligible.

NA = Not available.

1/ Data for 1991 are preliminary; 1992 values are September 1992 forecasts.

Data for 1988-1990 do not include the former East Germany.

Source: USDA.



Appendix table 41: Supply and use of eggs in Western Europe, 1988-92 1/

Country and year	Number of layers	Production	Beginning stocks	Total imports	Total exports	Consumption	Ending stocks
----- Million eggs -----							
European Community							
Belgium-Luxembourg							
1988	9	2,830	--	999	1,377	2,452	--
1989	9	2,724	--	1,153	1,712	2,165	--
1990	9	2,941	--	1,083	1,687	2,337	--
1991	9	2,900	--	1,175	1,760	2,315	--
1992	9	2,850	--	1,260	1,870	2,240	--
Denmark							
1988	4	1,366	351	138	107	1,388	360
1989	4	1,410	360	108	143	1,381	354
1990	4	1,409	354	152	197	1,359	359
1991	4	1,390	359	160	210	1,359	340
1992	4	1,380	340	170	230	1,330	330
France							
1988	70	15,300	169	1,162	514	15,900	217
1989	69	15,050	217	1,327	571	15,807	216
1990	69	14,629	216	1,253	893	15,079	171
1991	69	14,900	171	1,200	1,025	15,075	171
1992	69	14,950	171	1,190	1,190	15,080	41
Germany							
1988	47	12,280	450	5,609	1,004	16,885	450
1989	45	11,884	450	5,358	1,093	16,149	--
1990	45	11,900	--	5,700	1,080	16,520	--
1991	59	15,200	--	6,700	1,400	20,500	--
1992	58	15,200	--	6,800	1,500	20,500	--
Greece							
1988	27	2,485	28	50	5	2,510	48
1989	27	2,507	48	20	0	2,545	30
1990	27	2,566	30	33	6	2,530	93
1991	27	2,560	93	33	7	2,633	46
1992	28	2,570	46	33	7	2,608	34
Ireland							
1988	3	640	--	210	6	844	--
1989	3	640	--	210	6	844	--
1990	3	640	--	210	6	844	--
1991	3	640	--	210	6	844	--
1992	3	640	--	210	6	844	--
Italy							
1988	51	11,234	--	944	14	12,164	--
1989	52	11,223	--	1,133	50	12,306	--
1990	52	11,454	--	919	56	12,317	--
1991	52	11,625	--	850	65	12,410	--
1992	52	11,700	--	800	75	12,425	--
Netherlands							
1988	34	10,761	--	407	7,774	3,394	--
1989	33	10,660	--	622	7,980	3,302	--
1990	33	10,801	--	746	8,248	3,299	--
1991	32	10,760	--	830	8,350	3,240	--
1992	32	11,000	--	780	8,600	3,180	--
Portugal							
1988	5	1,633	--	1	13	1,621	--
1989	6	1,520	--	17	22	1,515	--
1990	6	1,590	--	12	22	1,580	--
1991	7	1,620	--	13	24	1,609	--
1992	7	1,652	--	15	25	1,642	--
Spain							
1988	44	10,856	--	138	30	10,964	--
1989	41	10,140	--	471	25	10,586	--
1990	43	10,659	--	371	53	10,977	--
1991	43	10,184	--	235	112	10,307	--
1992	42	10,300	--	300	53	10,547	--
United Kingdom							
1988	50	13,500	--	674	286	13,888	--
1989	47	12,275	--	824	410	12,669	--
1990	44	12,352	--	1,415	620	13,147	--
1991	43	12,485	--	1,070	497	13,058	--
1992	44	12,400	--	810	570	12,640	--

See footnotes at end of table.

Continued--

Appendix table 41: Supply and use of eggs in Western Europe, 1988-92 1/

Country and year	Number of layers	Production	Beginning stocks	Total imports	Total exports	Consumption	Ending stocks
-----Million eggs-----							
<b>EC-12</b>							
1988	344	82,885	998	10,332	11,130	82,010	1,075
1989	336	80,033	1,075	11,243	12,012	79,289	600
1990	335	80,941	600	11,894	12,868	79,989	623
1991	348	84,264	623	12,476	13,456	83,350	557
1992	348	84,642	557	12,368	14,126	83,036	405
<b>East Germany</b>							
1988	25	5,680	28	--	200	5,488	20
1989	25	5,905	20	--	444	5,361	100
1990	18	5,100	100	--	800	4,500	0
1991	NA	NA	NA	NA	NA	NA	NA
1992	NA	NA	NA	NA	NA	NA	NA
<b>Other Western Europe</b>							
<b>Austria</b>							
1988	9	1,757	--	115	--	1,872	--
1989	9	1,695	--	350	--	2,045	--
1990	8	1,664	--	413	--	2,077	--
1991	9	1,697	--	413	--	2,110	--
1992	9	1,680	--	440	--	2,120	--
<b>Finland</b>							
1988	5	1,304	2	--	316	988	2
1989	5	1,288	2	--	326	964	--
1990	5	1,232	--	--	329	903	--
1991	4	1,105	--	--	200	905	--
1992	4	1,070	--	--	160	910	--
<b>Switzerland</b>							
1988	3	708	27	838	--	1,551	22
1989	3	693	22	686	--	1,379	22
1990	3	635	22	735	--	1,368	24
1991	3	628	24	770	--	1,402	18
1992	3	628	18	778	--	1,404	20
<b>Total Other Western Europe</b>							
1988	17	3,769	29	953	316	4,411	24
1989	17	3,676	24	1,036	326	4,388	22
1990	16	3,531	22	1,148	329	4,348	24
1991	16	3,430	24	1,183	200	4,417	18
1992	16	3,378	18	1,218	160	4,434	20
<b>Total Western Europe</b>							
1988	361	86,654	1,027	11,285	11,446	86,421	1,099
1989	353	83,709	1,099	12,279	12,338	83,677	622
1990	351	84,472	622	13,042	13,197	84,337	647
1991	364	87,694	647	13,659	13,656	87,767	575
1992	364	88,020	575	13,586	14,286	87,470	425

/--/ indicates none or negligible.

NA = not available.

1/ Data for 1991 are preliminary; 1992 values are September 1992 forecasts.

Data for 1988-1990 do not include the former East Germany.

Source: USDA.



Appendix table 42: EC production of compound feed by category, 1980-91

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
-----1,000 tons-----												
<b>Cattle feed</b>												
Belgium	1,271	1,239	1,344	1,455	1,376	1,391	1,355	1,297	1,352	1,431	1,397	1,406
Denmark	2,088	2,005	1,957	1,988	1,753	1,720	1,788	1,832	1,797	1,620	1,555	1,571
West Germany	6,841	7,160	7,163	7,787	7,109	7,110	6,938	6,771	7,074	6,679	6,498	7,139
Germany 1/	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	8,074
France	3,287	3,452	3,636	3,975	3,683	3,519	3,742	3,655	3,949	4,437	4,636	4,690
Ireland	958	1,070	1,034	1,244	1,151	1,186	1,559	1,203	1,194	1,443	1,332	1,250
Italy	3,290	3,208	3,475	3,124	3,659	3,850	4,015	3,928	4,200	4,545	4,600	4,650
Netherlands	5,354	5,197	5,193	5,821	6,000	5,720	5,766	5,294	5,300	4,933	4,692	4,682
United Kingdom	4,885	5,011	5,482	5,960	4,818	4,549	4,901	4,085	4,112	4,201	4,190	4,000
Portugal	NA	NA	NA	NA	NA	NA	738	786	927	1,031	1,115	1,094
Spain	NA	NA	NA	NA	NA	NA	2,356	2,292	2,309	2,130	2,650	2,600
EC total 2/	27,974	28,342	29,284	31,354	29,549	29,045	33,158	31,143	32,214	32,450	32,665	34,017
<b>Pig feed</b>												
Belgium	2,617	2,469	2,445	2,540	2,524	2,550	2,665	2,660	2,688	2,910	3,022	2,993
Denmark	2,106	2,102	1,981	1,900	1,826	1,955	2,097	2,300	2,425	2,401	2,493	2,799
West Germany	6,249	6,217	6,140	6,173	6,192	5,829	5,799	5,910	5,959	5,434	5,465	5,735
Germany 1/	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	7,420
France	4,839	4,752	4,670	4,632	4,440	4,326	4,477	4,759	5,187	5,134	5,214	5,480
Ireland	508	492	489	474	441	443	449	421	446	462	483	550
Italy	2,369	2,326	2,556	2,365	2,565	2,350	2,435	2,534	2,600	2,427	2,470	2,700
Netherlands	6,117	6,219	6,222	6,256	6,579	6,886	7,241	7,461	7,800	7,611	7,690	7,200
United Kingdom	2,269	2,182	2,297	2,292	2,104	2,144	2,197	2,151	2,185	2,134	2,260	2,360
Portugal	NA	NA	NA	NA	NA	NA	1,129	1,142	1,102	1,339	1,457	1,358
Spain	NA	NA	NA	NA	NA	NA	4,130	4,018	4,169	4,350	4,850	4,900
EC total 2/	27,074	26,759	26,800	26,632	26,671	26,483	32,619	33,356	34,561	34,202	35,404	37,780
<b>Poultry feed</b>												
Belgium	936	961	1,081	952	986	937	951	935	933	792	774	735
Denmark	546	543	567	522	520	522	509	501	502	521	528	584
West Germany	3,217	3,230	3,398	3,272	3,351	3,228	3,294	3,294	3,267	3,318	3,454	3,702
Germany 1/	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	4,817
France	5,191	5,603	5,668	5,296	5,525	5,534	5,743	5,928	6,135	6,468	6,990	7,340
Ireland	269	263	272	278	277	294	315	347	373	351	398	450
Italy	4,306	4,248	4,363	4,675	3,887	4,050	4,135	4,146	4,200	4,236	4,380	4,400
Netherlands	2,793	2,972	3,095	3,102	3,212	3,353	3,191	3,314	3,300	3,266	3,308	3,300
United Kingdom	3,472	3,459	3,630	3,552	3,326	3,231	3,457	3,530	3,691	3,514	3,720	3,870
Portugal	NA	NA	NA	NA	NA	NA	946	956	1,052	1,221	1,230	1,169
Spain	NA	NA	NA	NA	NA	NA	3,860	3,755	3,802	3,802	4,450	4,600
EC total 2/	20,730	21,279	22,074	21,649	21,084	21,149	26,401	26,706	27,255	27,489	29,232	31,245
<b>Other animal feeds</b>												
Belgium	81	109	123	124	129	143	107	90	90	280	303	319
Denmark	102	103	104	118	116	129	141	145	139	137	137	124
West Germany	489	592	534	495	567	502	447	420	510	514	511	512
Germany 1/	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	581
France	1,378	1,349	1,378	1,299	1,320	1,342	1,404	1,369	1,275	1,454	1,453	1,490
Ireland	31	35	30	65	68	77	64	124	148	163	195	250
Italy	683	675	786	836	750	350	385	822	850	952	1,000	1,050
Netherlands	197	182	194	238	249	258	335	397	400	487	520	500
United Kingdom	361	355	408	430	508	533	637	663	742	771	840	850
Portugal	NA	NA	NA	NA	NA	NA	112	104	136	123	145	150
Spain	NA	NA	NA	NA	NA	NA	1,065	1,035	1,020	1,248	1,380	1,375
EC total 2/	3,322	3,400	3,557	3,605	3,707	3,334	4,697	5,169	5,310	6,129	6,484	6,669
<b>Total compound feed</b>												
Belgium	4,905	4,778	4,993	5,071	5,015	5,021	5,078	4,982	5,063	5,413	5,496	5,453
Denmark	4,842	4,753	4,609	4,528	4,215	4,326	4,535	4,778	4,863	4,679	4,713	5,058
West Germany	16,796	17,199	17,235	17,727	17,219	16,669	16,478	16,395	16,810	15,945	15,928	17,088
Germany 1/	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	20,872
France	14,695	15,156	15,352	15,202	14,968	14,721	15,366	15,711	16,546	17,493	18,293	19,000
Ireland	1,766	1,860	1,825	2,061	1,937	2,000	2,387	2,095	2,161	2,419	2,408	2,500
Italy	10,648	10,457	11,180	11,000	10,861	10,600	10,970	11,430	11,850	12,160	12,450	12,800
Netherlands	14,461	14,570	14,704	15,417	16,040	16,217	16,533	16,466	16,800	16,297	16,210	15,682
United Kingdom	10,987	11,007	11,817	12,234	10,756	10,457	11,192	10,429	10,730	10,620	11,010	11,100
Portugal	NA	NA	NA	NA	NA	NA	2,925	2,988	3,217	3,714	3,947	3,771
Spain	NA	NA	NA	NA	NA	NA	11,411	11,100	11,300	11,530	13,330	13,475
EC total 2/	79,100	79,780	81,715	83,240	81,011	80,011	96,875	96,374	99,340	100,270	103,785	126,799

1/ Includes former east Germany.

2/ Totals for 1991 include former east Germany.

Source: European Feed Manufacturers' Federation (FEFAC), Feed and Food Statistical Yearbook; EC Commission; Agra Europe.

Appendix table 43: EC imports of non-grain feeds, 1982-1990

Product	1982		1983		1984		1985		1986		1987		1988		1989		1990	
	Total	From U.S.	Total	From U.S.	Total	From U.S.	Total	From U.S.	Total	From U.S.	Total	From U.S.	Total	From U.S.	Total	From U.S.	Total	From U.S.
Million tons																		
Soybean meal	8.864	3.781	9.834	4.212	8.873	2.217	10.442	2.014	10.895	2.729	10.341	3.109	9.352	1.378	8.882	0.516	10.141	-
Rapeseed meal	-	-	0.306	-	0.364	-	0.285	-	0.836	-	0.446	-	0.337	-	0.488	-	0.483	-
Sunflower meal	-	-	0.972	-	0.712	-	1.126	-	1.282	-	0.941	-	1.034	-	1.179	-	1.333	-
Cottonseed meal	-	-	0.640	-	0.426	-	0.587	-	0.748	-	0.559	-	0.798	-	0.896	-	0.558	-
Linseed meal	-	-	0.572	-	0.501	-	0.438	-	0.381	-	0.482	-	0.469	-	0.401	-	0.421	-
Copra meal	-	-	0.878	-	0.604	-	0.825	-	1.237	-	1.201	-	1.062	-	0.789	-	1.075	-
Palm kernel meal	-	-	0.651	-	0.608	-	0.908	-	0.993	-	1.028	-	1.070	-	1.208	-	1.449	-
Groundnut meal	-	-	0.367	-	0.154	-	0.132	-	0.205	-	0.248	-	0.406	-	0.409	-	0.342	-
Fish meal	-	-	0.619	-	0.608	-	0.841	-	0.919	-	0.885	-	0.754	-	0.931	-	0.939	-
Other oil meal	-	-	0.883	-	0.808	-	0.530	-	0.436	-	0.606	-	0.571	-	0.794	-	0.698	-
Corn gluten feed	2.824	2.716	3.566	3.373	3.734	3.557	3.542	3.345	4.097	3.874	4.707	4.484	4.737	4.518	4.666	4.433	5.602	-
Corn germ meal	1.063	0.343	1.302	0.676	1.036	0.512	0.958	0.44	1.440	0.901	2.393	1.733	2.462	1.684	1.869	1.255	1.726	-
Feed peas	-	-	0.094	-	0.104	-	0.115	-	0.227	-	0.628	-	0.461	-	0.305	-	0.233	-
Feed beans	-	-	0.055	-	0.074	-	0.108	-	0.140	-	0.214	-	0.232	-	0.302	-	0.388	-
Lupines	-	-	0.075	-	0.152	-	0.200	-	0.204	-	0.320	-	0.154	-	0.168	-	0.111	-
Total protein-rich feeds	12.751	6.84	20.814	8.261	18.758	6.286	21.037	5.799	24.04	7.504	24.999	9.326	23.899	7.58	23.287	6.204	25.499	0
Tapioca	8.101	-	7.729	-	5.257	-	6.336	-	5.822	-	6.986	-	7.024	-	6.615	-	5.803	-
Sweet potatoes	-	-	0.142	-	0.101	-	0.351	-	0.602	-	0.607	-	0.532	-	0.306	-	0.203	-
Distillers dried grains	0.377	0.334	0.498	0.45	0.416	0.361	0.436	0.395	0.633	0.566	0.853	0.757	0.743	0.655	0.695	0.603	0.904	-
Citrus pellets	1.265	0.567	1.43	0.615	1.322	0.465	1.467	0.424	1.237	0.461	1.652	0.566	1.553	0.655	1.587	0.705	1.856	-
Beet pulp	0.408	0.135	0.55	0.121	0.431	0.053	0.498	0.05	0.357	0.139	0.553	0.347	0.912	0.527	0.562	0.21	0.853	-
Molasses	2.773	0.148	2.839	0.168	2.981	0.23	2.984	0.162	3.507	0.319	3.467	0.342	3.293	0.224	3.075	0.154	3.354	-
Wheat bran	-	-	1.679	-	1.001	-	0.887	-	0.665	-	0.224	-	0.121	-	0.098	-	0.086	-
Alfalfa	-	-	0.224	-	0.184	-	0.081	-	0.162	-	0.129	-	0.074	-	0.065	-	0.067	-
Fruit residue	0.13	0.025	0.157	0.044	0.095	0.033	0.106	0.061	0.207	0.11	0.347	0.266	0.508	0.429	0.316	0.252	0.365	-
Total starch-rich foods	13.054	1.209	15.248	1.398	11.788	1.142	13.146	1.092	13.192	1.595	14.818	2.278	14.760	2.490	13.319	1.924	13.491	0.000
Total non-grain feeds	25.805	8.049	36.062	9.659	30.546	7.428	34.183	6.891	37.232	9.099	39.817	*****	38.659	*****	36.606	8.128	38.990	0.000

Note: EC-10 prior to 1986.

Source: Toepfer International, Grain and Feed Stuffs Market Statistics. Data are not definitive.

The sources relied upon by Toepfer in this publication are: FAO, Oilworld (Hamburg), Eurostat, German Statistical Office, USDA, ZMP (Bonn).



Appendix table 44: Agricultural imports by country, European Community and Other Western Europe, 1988-90 1/

Appendix table IV. Agricultural imports by country, European Community and other Western Europe, 1988-99										
Commodity	Year	SITC Codes		European Community						
		Major head-ings	Sub head-ings 2/	Belgium-Luxembourg	Denmark	France	West Germany	Greece	Ireland	Italy
----- Million dollars -----										
Live animals	1988	00		321.3	7.6	467.9	392.5	32.5	114.9	1,867.0
	1989			371.8	5.4	485.9	368.7	71.7	114.5	1,975.1
	1990			418.2	7.0	544.5	381.5	68.5	90.7	1,962.5
Meat and meat preparations	1988	01		605.5	162.3	3,109.0	3,336.9	560.0	124.4	3,163.9
	1989			656.9	195.6	3,413.2	3,583.5	811.9	161.1	3,681.8
	1990			846.3	254.2	3,898.0	4,478.8	871.0	144.1	4,086.0
Dairy products and eggs	1988	02		1,266.0	132.2	1,125.3	2,584.0	374.4	61.0	2,692.7
	1989			1,326.1	8.0	1,070.7	2,561.7	445.9	64.0	2,616.1
	1990			1,445.8	118.1	1,124.7	3,206.3	502.9	84.6	2,656.0
Cereals and cereal preparations	1988	04		1,585.8	192.2	1,216.0	1,944.8	228.6	295.3	2,135.3
	1989			1,315.6	187.0	1,237.3	1,915.2	171.4	280.4	2,214.6
	1990			1,691.1	223.7	1,550.2	2,302.1	291.2	331.0	2,135.6
Wheat and flour	1988		041,	391.6	15.4	85.9	434.8	68.6	96.1	1,181.7
	1989		046	269.3	11.7	109.4	497.3	57.0	76.8	1,426.3
	1990			412.9	9.3	102.7	472.2	85.8	83.7	1,213.2
Rice	1988	042		90.0	16.1	209.2	137.3	7.7	5.7	44.4
	1989			94.4	16.6	202.5	133.4	7.0	5.2	46.6
	1990			101.1	19.6	215.8	164.7	8.7	6.4	23.2
Feed grains	1988		043-	709.0	42.2	111.1	616.2	90.3	16.2	610.2
	1989		045	578.5	33.4	72.7	520.3	23.7	18.3	446.8
	1990			698.8	35.4	2.0	554.2	85.1	18.1	543.7
Fruit and vegetables	1988	05		1,596.6	475.1	4,259.4	8,126.0	111.2	292.5	1,821.2
	1989			1,692.5	416.1	4,284.8	7,796.8	164.0	305.6	1,808.7
	1990			2,026.3	493.4	5,310.1	10,530.2	215.4	363.4	2,135.8
Sugar, sugar preparations and honey	1988	06		170.3	110.3	464.6	553.7	127.2	104.0	259.9
	1989			151.5	86.4	447.2	585.8	93.4	87.2	255.6
	1990			243.6	110.7	555.5	760.7	23.1	110.6	355.1
Coffee, tea, cocoa, spices etc.	1988	07		751.4	261.5	1,750.9	3,228.0	174.9	169.1	1,033.9
	1989			702.8	251.1	1,646.6	3,021.1	186.4	149.4	994.3
	1990			681.1	224.6	1,626.6	2,908.2	180.9	182.1	907.0
Animal feed	1988	08		880.0	593.9	1,382.6	1,682.1	57.6	325.4	1,061.4
	1989			905.4	600.9	1,396.3	1,609.1	80.8	345.7	1,079.4
	1990			946.9	589.6	1,442.1	1,651.5	101.8	352.0	1,124.6
Oilseed cake and meal	1988		0813	327.3	462.2	992.4	895.4	5.9	107.5	397.1
	1989			332.1	470.6	973.8	843.6	16.6	102.9	385.4
	1990			318.2	440.3	2.0	781.9	20.3	90.6	387.2
Meatmeal and fishmeal	1988		0814	41.1	5.2	49.6	166.4	16.4	6.9	50.4
	1989			41.1	7.5	54.4	197.6	20.2	7.8	52.0
	1990			36.3	13.7	2.0	143.0	19.4	10.5	57.9
Miscellaneous food preparations	1988	09		303.1	71.1	450.8	557.8	42.6	78.2	160.8
	1989			325.6	83.0	489.7	589.9	55.3	72.1	232.9
	1990			394.7	107.2	597.9	851.0	78.1	116.0	308.4
Lard	1988		0913	12.2	7.2	7.8	4.6	0.0	0.3	8.2
	1989			14.1	6.0	7.8	5.1	0.2	0.6	9.3
	1990			13.3	6.3	6.6	5.9	0.1	0.8	9.6
Margarine and shortening	1988		0914	13.4	2.4	72.5	13.7	2.3	8.9	19.2
	1989			12.8	3.5	76.9	17.4	3.0	10.4	19.8
	1990			16.1	4.6	101.3	25.8	5.2	23.9	23.2

See footnotes at end of table.

Appendix table 44: Agricultural imports by country, European Community and Other Western Europe, 1988-90 1/

European Community					Other Western Europe					
Nether- lands	Portugal	Spain	United Kingdom	Total EC-12	Austria	Finland	Norway	Sweden	Switzer- land	Total Western Europe
-----Million dollars-----										
257.9	28.2	167.3	501.3	4,158.3	7.6	13.7	4.0	0.0	35.6	4,219.1
311.4	39.7	298.8	458.0	4,501.1	10.2	15.0	4.1	37.4	31.6	4,599.4
385.9	45.2	314.4	507.6	4,725.9	12.9	19.2	3.4	31.5	34.2	4,827.1
675.2	164.5	424.2	2,931.2	15,257.0	8.0	13.0	18.1	0.0	352.8	15,736.1
660.0	178.9	560.7	2,990.7	16,894.3	116.3	12.1	15.6	138.2	337.5	17,514.0
815.4	287.4	722.5	3,365.8	19,769.4	126.4	9.7	16.3	166.8	393.6	20,482.3
2,700.3	24.2	351.3	1,326.5	12,637.9	103.9	9.2	12.4	0.0	191.4	12,954.8
2,051.8	23.5	406.8	1,253.5	11,947.6	100.0	10.9	13.4	65.6	185.7	12,323.4
1,855.3	28.1	451.8	1,541.2	13,014.7	117.0	14.2	16.8	94.5	238.5	13,495.7
1,946.1	264.2	662.2	1,465.0	11,935.4	150.8	65.3	149.0	0.0	262.4	12,562.9
1,432.4	279.1	565.5	1,309.3	10,907.8	147.4	78.1	175.1	164.7	255.2	11,728.4
1,703.8	369.3	783.2	1,553.5	12,934.7	204.0	61.2	172.3	200.1	283.4	13,855.7
628.7	67.5	151.4	400.6	3,522.1	0.2	17.4	39.4	0.0	39.9	3,619.1
355.3	106.1	37.5	209.2	3,155.7	0.2	25.8	46.8	11.6	51.4	3,291.6
396.6	96.1	169.2	201.8	3,243.4	8.0	3.1	35.6	10.5	51.3	3,344.2
84.8	64.1	23.5	203.3	886.0	23.1	8.6	6.0	0.0	17.5	941.2
76.5	41.1	89.4	188.5	901.2	22.6	10.8	6.4	18.6	25.1	984.7
94.8	50.2	74.7	209.6	968.9	31.7	10.6	7.3	22.3	27.3	1,068.2
856.0	104.2	365.9	409.7	3,930.8	25.3	13.7	20.1	0.0	81.2	4,071.1
625.0	94.9	305.0	388.2	3,106.7	12.7	9.1	32.4	9.1	57.5	3,227.5
743.4	161.4	360.4	474.6	3,804.5	21.1	1.7	21.5	8.3	40.6	3,897.8
2,742.3	291.0	641.6	4,352.2	24,709.1	665.1	388.6	357.1	0.0	1,041.5	27,161.4
2,504.8	268.2	719.9	4,430.0	24,391.3	652.6	397.3	328.7	843.0	969.1	27,582.0
3,231.6	367.7	1,040.1	5,260.5	30,974.6	888.2	458.9	369.0	1,020.3	1,176.2	34,887.3
319.8	142.0	141.2	985.7	3,378.8	55.4	46.6	91.9	0.0	100.1	3,672.8
320.8	156.2	173.2	950.2	3,307.4	63.0	55.9	103.0	84.6	89.6	3,703.6
388.9	145.1	261.5	1,098.9	4,053.8	84.2	57.6	127.3	119.5	106.6	4,548.9
1,342.5	111.6	591.4	1,677.3	11,092.6	378.6	250.2	215.4	0.0	402.7	12,339.6
1,183.2	116.1	559.4	1,536.3	10,346.8	395.0	259.1	208.2	405.6	362.1	11,976.8
1,286.7	124.7	553.8	1,605.2	10,280.9	8.0	223.1	189.5	383.5	367.7	11,820.9
1,535.0	220.8	600.8	996.5	9,336.0	197.3	78.4	99.4	0.0	203.7	9,914.7
1,352.7	213.5	608.2	954.9	9,146.8	182.1	81.0	146.1	193.5	188.8	9,938.4
1,411.1	252.2	668.1	1,116.1	9,655.9	205.8	67.9	117.4	180.0	214.8	10,441.7
729.2	40.6	433.7	492.9	4,884.0	142.6	1.4	21.8	0.0	16.3	5,066.1
625.2	36.0	373.7	458.0	4,618.0	132.3	0.0	19.1	59.7	12.1	4,841.3
594.4	47.1	344.8	469.3	4,402.5	143.6	0.1	12.2	33.7	10.0	4,602.0
105.4	1.4	7.8	161.6	612.2	19.7	51.7	11.9	0.0	35.9	731.4
111.2	1.1	11.5	142.1	646.5	15.9	57.9	29.9	28.7	34.5	813.2
110.1	1.5	12.1	142.4	595.4	16.0	35.7	19.3	29.8	30.0	726.2
293.7	36.5	155.0	592.8	2,742.4	91.6	73.9	74.1	0.0	121.2	3,103.2
315.9	40.4	172.4	671.4	3,048.8	99.2	85.4	77.0	137.1	128.1	3,575.5
409.6	56.0	395.0	801.2	4,115.2	139.3	106.7	76.9	164.1	166.1	4,768.2
18.8	0.3	20.9	56.6	137.0	0.0	0.0	0.1	0.0	0.8	138.0
16.9	0.4	18.3	46.2	125.0	0.0	0.0	0.1	0.1	0.6	125.7
15.9	0.4	25.4	46.3	130.8	0.1	0.0	0.1	0.1	0.5	131.6
18.5	0.4	3.7	56.2	211.3	4.1	0.3	0.5	0.0	3.6	219.7
17.3	0.7	3.5	64.3	229.6	6.8	0.5	1.1	7.9	5.1	251.0
21.2	0.9	5.1	73.0	300.4	9.2	0.5	1.6	7.7	5.0	324.4

Continued--



Appendix table 44: Agricultural imports by country, European Community and other Western Europe, 1988-90 1/

Commodity	Year	SITC Codes		European Community							
		Major head-ings	Sub head-ings 2/	Belgium-Luxembourg	Denmark	France	West Germany	Greece	Ireland	Italy	
Million dollars											
Beverages	1988	11		774.7	232.9	915.0	1,777.5	96.5	141.4	554.9	
	1989			764.4	214.8	1,012.5	1,798.4	160.7	149.2	606.7	
	1990			995.4	277.6	1,267.8	2,443.8	214.0	203.1	729.8	
Nonalcoholic	1988		111	159.4	8.5	126.4	135.1	14.7	22.5	28.1	
	1989			169.4	6.8	174.3	149.4	27.6	28.5	44.6	
	1990			219.6	8.5	191.9	259.1	26.4	42.4	44.8	
Wine	1988		1121	463.7	182.0	345.8	1,146.1	3.5	37.8	150.3	
	1989			457.6	167.1	354.0	1,118.5	7.2	40.7	183.0	
	1990			607.1	219.5	401.0	1,501.1	12.3	54.4	222.3	
Tobacco, unmanufactured	1988	121		138.5	77.1	97.4	493.2	30.9	19.2	199.3	
	1989			140.3	84.0	84.7	483.2	53.5	18.8	229.5	
	1990			159.4	89.9	100.3	653.3	51.1	18.7	180.0	
Tobacco, manufactured	1988		122	132.2	7.4	767.2	227.0	25.5	31.2	702.8	
	1989			127.7	6.3	769.2	227.0	29.4	29.8	746.1	
	1990			149.4	7.2	925.8	291.6	58.6	34.6	929.1	
Hides, skins, and furs undressed	1988	21		95.7	243.2	330.2	399.4	45.0	4.7	1,506.4	
	1989			81.5	193.2	300.0	279.2	38.7	4.0	1,391.6	
	1990			99.1	149.4	242.1	231.2	40.7	4.4	1,382.8	
Oilseeds, oil, nuts, and oil kernels	1988	22		749.7	28.1	197.7	1,777.0	93.1	9.0	296.3	
	1989			720.9	41.5	172.0	1,607.8	83.1	9.1	336.6	
	1990			708.2	29.9	245.0	1,563.6	107.8	8.7	366.9	
Soybeans	1988		2214	371.6	19.3	117.3	784.7	56.9	4.2	207.4	
	1989			309.3	20.5	75.9	716.5	64.7	3.2	224.7	
	1990			259.5	14.1	102.9	673.3	83.0	3.7	196.8	
Natural rubber	1988		2311	63.1	3.1	243.5	271.8	12.8	11.4	199.2	
	1989			56.6	2.5	210.1	256.1	12.7	9.2	177.4	
	1990			46.8	2.5	186.5	219.0	10.5	9.6	145.6	
Natural fibers	1988	261-		561.8	23.2	948.4	1,174.0	144.6	83.0	2,233.7	
	1989	265		593.5	24.6	995.7	1,321.7	106.9	84.5	2,368.7	
	1990			465.1	20.8	788.6	1,248.8	113.9	79.5	2,284.7	
Raw cotton	1988		2631	59.5	4.7	214.0	306.0	93.7	32.5	545.2	
	1989			69.6	4.3	208.7	358.9	59.8	37.2	576.2	
	1990			63.8	5.1	212.1	375.2	68.9	38.7	633.4	
Crude animal & veg. matls. not elsewhere specified	1988	29		305.1	230.2	1,166.3	2,407.4	37.9	54.4	720.0	
	1989			327.2	210.7	1,218.3	2,372.1	50.2	54.1	724.8	
	1990			388.3	226.4	1,466.4	2,916.8	67.0	66.1	848.2	
Agricultural fats and oils	1988		4	333.2	145.3	608.6	819.2	57.8	66.1	795.9	
	1989			368.9	143.4	658.8	916.2	51.3	69.0	848.2	
	1990			393.1	145.7	754.8	940.3	81.4	65.9	1,307.8	
Animal & vegetable oil & fats, processed	1988		431	74.4	59.5	117.7	193.9	19.1	17.8	44.8	
	1989			78.0	61.0	134.6	209.9	18.4	19.5	54.4	
	1990			77.4	58.4	151.8	212.3	13.4	17.9	54.3	
Total agricultural 3/	1988			10,634.0	2,996.8	19,500.9	31,752.5	2,253.0	1,985.2	21,404.6	
	1989			10,629.2	2,874.1	19,893.1	31,293.6	2,667.2	2,007.6	22,288.3	
	1990			12,098.7	3,077.9	22,627.1	37,578.6	3,077.7	2,265.0	23,845.8	
Total imports	1988			91,097.5	26,457.9	176,745.1	248,979.7	11,976.8	15,557.8	135,497.8	
	1989			99,335.6	26,591.5	190,185.9	268,600.8	16,103.1	17,419.0	149,425.9	
	1990			119,724.9	31,562.1	232,524.6	341,248.4	19,700.9	20,716.0	176,152.9	

Continued--

Appendix table 44: Agricultural imports by country, European Community and other Western Europe, 1988-90 1/

European Community					Other Western Europe					
Nether-lands	Portugal	Spain	United Kingdom	Total EC-12	Austria	Finland	Norway	Sweden	Switzer-land	Total Western Europe
-----Million dollars-----										
693.2	69.7	376.6	2,129.8	7,762.1	90.5	41.5	78.9	0.0	570.2	8,543.1
693.8	155.7	429.0	2,164.0	8,149.2	100.1	57.8	71.3	262.3	584.9	9,225.5
852.5	145.8	569.7	2,727.2	10,426.7	135.2	76.7	91.2	301.0	710.2	11,740.9
119.3	12.0	21.0	113.4	760.3	10.2	4.2	5.3	0.0	62.5	842.4
136.9	10.4	38.0	159.2	945.0	12.3	5.7	5.0	16.3	61.5	1,045.8
183.7	18.3	38.9	165.2	1,198.8	18.2	7.7	5.7	15.0	76.8	1,322.1
399.8	2.7	24.3	1,405.9	4,162.0	41.8	20.3	46.5	0.0	427.1	4,697.8
392.9	78.5	26.2	1,395.2	4,220.8	45.6	23.0	38.4	143.4	445.7	4,916.9
477.1	14.9	33.6	1,771.0	5,314.2	61.8	34.8	50.9	161.2	537.8	6,160.7
352.1	23.5	302.0	385.1	2,118.1	36.8	35.3	27.1	0.0	118.5	2,335.8
342.8	26.8	309.6	390.2	2,163.4	36.9	41.2	24.5	37.6	113.9	2,417.5
435.6	27.9	315.2	447.4	2,478.7	41.2	42.3	25.0	50.9	147.6	2,785.7
249.7	1.0	68.4	194.0	2,406.6	7.3	8.6	38.8	0.0	26.3	2,487.6
258.3	1.4	50.3	175.3	2,420.8	8.8	10.8	40.5	65.6	27.1	2,573.7
314.0	2.4	54.7	225.5	2,992.9	12.2	14.4	48.7	78.2	32.8	3,179.2
190.2	88.3	411.3	345.8	3,660.4	49.0	43.9	65.3	0.0	37.9	3,856.5
178.9	59.1	359.2	244.3	3,129.8	46.5	33.5	27.4	93.3	31.9	3,362.4
206.5	80.2	246.8	179.2	2,862.2	45.9	31.1	19.9	67.2	27.8	3,054.2
1,497.4	391.5	594.6	405.0	6,039.3	16.7	65.1	88.6	0.0	46.9	6,256.6
1,281.2	331.5	694.0	391.2	5,669.0	17.7	50.3	91.1	21.6	50.0	5,899.6
1,502.2	396.6	747.1	486.8	6,162.9	22.5	40.5	88.5	26.0	59.1	6,399.5
1,019.1	246.2	545.2	194.6	3,566.6	2.1	60.3	77.5	0.0	22.3	3,728.8
831.4	201.3	588.2	175.3	3,211.1	1.5	43.9	78.6	2.4	21.9	3,359.5
1,013.5	221.0	635.8	188.8	3,392.4	1.9	35.9	75.6	2.2	27.0	3,535.0
22.5	19.9	154.9	181.6	1,183.9	33.4	10.2	5.6	0.0	4.8	1,237.9
18.6	14.0	133.6	154.1	1,044.9	32.1	9.5	3.5	12.2	4.2	1,106.5
19.5	12.1	117.1	143.7	913.0	28.6	8.6	2.4	11.0	3.7	967.3
75.3	373.6	271.0	883.8	6,772.4	112.8	17.7	11.4	0.0	263.9	7,178.2
82.3	342.0	299.2	786.7	7,005.7	105.6	15.2	9.8	16.0	294.8	7,447.3
74.5	412.2	278.5	625.5	6,392.0	103.6	12.5	10.4	23.4	309.6	6,851.5
12.1	307.9	147.9	81.6	1,805.2	48.1	7.1	2.6	0.0	126.7	1,989.7
12.2	258.9	170.4	69.4	1,825.7	47.8	6.2	1.8	5.3	125.1	2,012.0
10.8	345.7	179.6	65.4	1,998.8	49.2	6.1	2.3	10.4	145.7	2,212.5
623.2	45.9	237.6	827.4	6,655.4	220.8	134.6	95.4	0.0	392.8	7,499.0
632.5	50.6	257.8	848.1	6,746.3	223.6	132.4	92.4	272.7	377.6	7,845.1
769.7	68.6	320.2	967.5	8,105.1	280.1	138.4	105.2	319.5	450.7	9,399.0
602.9	37.1	156.0	606.1	4,228.3	90.8	24.6	58.5	0.0	55.0	4,457.2
623.4	85.5	233.1	583.9	4,581.7	91.7	27.5	48.3	96.7	53.9	4,899.9
624.9	63.3	207.5	626.4	5,211.1	99.0	26.7	42.6	103.0	68.0	5,550.4
105.6	7.0	19.4	126.1	785.2	23.1	8.8	3.0	0.0	13.7	833.8
105.8	7.1	24.2	119.7	832.7	24.1	9.3	4.8	22.6	14.0	907.4
113.4	8.4	27.7	125.5	860.5	28.9	10.0	6.9	21.9	15.4	943.6
16,119.2	2,333.4	6,307.3	20,787.0	136,074.0	2,403.4	1,320.5	1,491.0	0.0	4,227.6	145,516.5
14,244.9	2,382.2	6,830.8	20,292.0	135,402.8	2,428.9	1,373.1	1,480.3	2,947.8	4,086.0	147,718.9
16,287.8	2,884.9	8,047.0	23,279.1	155,069.8	2,922.2	1,409.5	1,522.9	3,340.4	4,790.6	169,055.4
99,743.3	17,884.8	60,434.1	189,747.6	1,074,122.0	36,609.4	20,910.8	23,219.9	0.0	56,324.7	1,211,187.0
104,220.4	19,043.1	71,298.0	199,195.4	1,161,419.0	38,853.6	24,610.8	23,632.4	48,920.3	58,150.3	1,355,586.0
125,908.6	25,332.6	87,486.9	224,771.5	1,405,129.0	49,960.1	27,098.3	26,860.1	54,536.3	69,426.7	1,633,011.0

/-/ indicates none or negligible.

NA = not available.

1/ Intra-EC trade included in data.

2/ Components of major headings

3/ Sum of all major headings.

Source: UN Trade Statistics 1992. SITC is the Standard International Trade Classification revised.



Appendix table 45: Agricultural exports by country, European Community and other Western Europe, 1988-90 1/

Commodity	Year	SITC Codes		European Community							
		Major head-ings	Sub-head-ings 2/	Belgium-Luxembourg	Denmark	France	West Germany	Greece	Ireland	Italy	
Million dollars											
Live animals	1988	00		396.6	26.6	1,451.7	409.5	1.2	344.3	14.7	
	1989			456.8	34.7	1,451.2	543.2	0.0	272.0	14.1	
	1990			350.7	35.1	1,543.1	584.6	1.0	329.1	17.7	
Meat and meat preparations	1988	01		1,631.4	2,776.3	2,315.5	1,822.4	13.2	1,163.3	623.6	
	1989			1,874.2	2,876.8	2,574.5	2,149.7	0.0	1,259.7	564.9	
	1990			2,165.5	3,325.8	2,993.2	2,714.9	23.4	1,365.8	612.9	
Dairy products and eggs	1988	02		1,383.1	962.9	2,935.8	4,233.3	38.3	1,031.6	391.3	
	1989			1,448.7	1,030.9	2,953.9	3,615.7	0.0	1,121.7	437.1	
	1990			1,467.3	1,243.2	3,475.9	3,434.5	66.5	845.3	526.3	
Cereals and cereal preparations	1988	04		1,149.9	704.9	6,179.2	1,778.5	181.7	355.2	1,342.3	
	1989			1,111.5	679.4	6,457.2	2,146.4	0.0	354.1	1,584.9	
	1990			1,381.0	899.3	7,604.6	2,333.8	218.1	435.6	1,693.9	
Wheat and flour	1988		041,	159.5	138.0	3,027.9	563.8	136.6	12.4	322.1	
	1989		046	195.3	117.7	3,152.8	846.1	0.0	14.9	459.9	
	1990			269.1	230.2	3,665.0	624.7	161.6	23.0	330.8	
Rice	1988	042		149.8	0.4	26.2	29.9	12.2	0.1	298.2	
	1989			157.6	0.3	35.8	27.2	0.0	0.2	304.9	
	1990			168.1	0.7	37.1	32.5	1.8	0.6	353.0	
Feed grains	1988		043-	262.1	287.5	2,292.4	230.1	20.3	88.2	35.6	
	1989		045	123.0	255.3	2,350.8	253.1	0.0	74.0	39.3	
	1990			137.2	282.3	2,725.3	330.5	31.6	74.4	22.8	
Fruit and vegetables	1988	05		1,260.8	211.7	2,285.3	1,199.4	602.7	70.5	3,251.0	
	1989			1,460.2	187.7	2,341.6	1,239.7	0.0	94.4	3,219.4	
	1990			1,795.0	279.0	3,083.5	1,580.4	1,154.3	117.4	3,971.6	
Sugar, sugar preparations and honey	1988	06		213.1	199.2	1,603.9	584.4	8.4	102.7	189.8	
	1989			335.1	211.0	1,830.9	655.1	0.0	74.2	140.2	
	1990			469.2	264.6	1,864.0	903.9	22.6	107.7	167.7	
Coffee, tea, cocoa, spices etc.	1988	07		578.4	60.7	619.2	1,407.5	7.4	180.0	274.3	
	1989			626.9	72.1	656.3	1,402.6	0.0	182.0	313.2	
	1990			748.4	82.8	789.2	1,553.0	19.8	249.5	398.9	
Animal feed	1988	08		551.2	249.9	847.2	1,138.1	24.2	65.4	132.4	
	1989			613.5	282.2	901.9	1,112.6	0.0	69.8	98.9	
	1990			642.9	259.1	1,041.3	1,246.9	20.9	78.5	146.7	
Oilseed cake and meal	1988		0813	275.2	4.6	20.4	367.7	10.6	2.6	36.4	
	1989			317.1	6.1	21.5	317.4	0.0	2.2	21.9	
	1990			286.0	1.0	29.0	340.1	5.4	1.2	19.2	
Meatmeal and fishmeal	1988		0814	27.4	160.7	35.1	125.8	0.0	13.4	37.4	
	1989			21.3	155.3	32.0	152.7	0.0	17.3	30.4	
	1990			21.1	121.0	23.0	114.5	0.0	12.0	25.8	
Miscellaneous food preparations	1988	09		437.1	257.2	300.4	535.1	4.6	890.5	187.7	
	1989			469.3	232.8	440.3	583.1	0.0	910.8	216.5	
	1990			598.9	300.8	917.7	773.8	18.1	958.2	285.9	
Lard	1988		0913	18.9	12.9	8.9	33.4	0.1	0.1	8.2	
	1989			21.4	10.5	10.7	29.3	0.0	0.2	6.0	
	1990			22.2	13.1	12.6	35.3	0.1	0.4	8.9	
Margarine and shortening	1988		0914	83.0	18.3	7.3	59.1	0.1	7.6	0.2	
	1989			89.3	29.5	7.0	66.7	0.0	14.0	0.6	
	1990			117.3	35.1	8.4	88.2	0.3	19.7	1.0	

See footnotes at end of table.

Appendix table 45: Agricultural exports by country, European Community and Other Western Europe, 1988-90 1/

European Community					Other Western Europe					
Nether- lands	Portugal	Spain	United Kingdom	Total EC-12	Austria	Finland	Norway	Sweden	Switzer- land	Total Western Europe
Million dollars										
734.1	2.7	21.6	441.2	3,844.2	84.5	3.6	1.1	0.0	18.0	3,951.4
759.2	6.6	25.3	422.1	3,985.4	86.2	2.3	1.4	6.0	21.0	4,102.2
867.6	14.9	40.5	447.1	4,231.4	78.2	5.0	1.5	7.4	23.4	4,346.9
3,960.1	17.1	123.4	1,053.4	15,499.7	181.2	32.8	10.8	0.0	12.5	15,737.0
4,345.6	22.6	183.1	1,143.8	16,994.9	181.1	35.6	11.0	78.0	13.9	17,314.5
5,105.7	24.9	283.7	1,092.4	19,708.4	216.4	64.1	16.1	91.2	22.6	20,118.7
4,238.7	43.4	131.2	682.6	16,072.3	151.8	130.6	70.4	0.0	399.8	16,824.9
4,227.1	30.6	158.9	807.7	15,832.1	177.9	130.9	78.0	75.6	386.2	16,680.7
4,315.7	47.1	154.4	801.5	16,377.6	181.2	200.8	96.7	114.9	428.7	17,400.0
1,149.5	10.3	601.1	1,310.7	14,763.4	225.4	40.3	22.3	0.0	86.2	15,137.6
1,005.4	17.3	675.7	1,657.3	15,689.2	250.0	107.0	19.4	211.9	88.4	16,365.9
1,243.3	29.1	466.0	2,019.9	18,324.6	256.7	144.1	22.2	280.8	113.8	19,142.3
150.2	0.1	68.6	325.6	4,904.8	80.2	0.4	1.3	0.0	0.1	4,986.8
103.4	0.7	75.3	567.4	5,533.5	81.8	8.5	0.1	43.5	0.2	5,667.6
122.7	1.0	106.6	824.8	6,359.4	56.5	3.9	0.1	88.4	0.3	6,508.4
70.1	1.4	64.2	12.1	664.6	0.1	0.0	0.1	0.0	0.1	664.8
64.1	7.1	89.3	7.6	694.1	0.2	0.0	0.1	0.3	0.1	694.8
78.9	17.8	108.2	7.6	806.4	0.6	0.0	0.0	0.2	0.2	807.5
119.9	0.0	440.4	335.7	4,112.2	52.4	0.1	2.1	0.0	0.1	4,166.9
42.0	0.2	474.7	413.4	4,025.6	79.2	32.8	0.3	33.0	0.6	4,171.6
46.4	0.2	193.6	342.0	4,186.2	76.4	47.5	0.0	50.6	0.3	4,361.1
3,959.8	153.9	3,658.6	400.1	17,053.7	108.7	12.3	8.1	0.0	51.9	17,234.8
4,021.8	163.1	3,645.0	464.3	16,837.1	122.5	12.5	7.4	63.1	57.7	17,100.2
5,230.0	162.7	4,192.4	476.6	22,043.0	159.5	18.4	10.2	74.3	74.3	22,379.5
433.2	3.0	173.0	347.9	3,858.6	39.4	21.3	6.5	0.0	67.6	3,993.4
449.5	2.6	118.9	371.5	4,188.9	32.7	22.6	8.5	71.5	65.4	4,389.5
614.2	4.3	175.4	428.5	5,022.0	50.5	38.1	9.0	70.2	80.6	5,270.4
1,204.7	5.9	141.5	644.0	5,123.6	106.4	65.5	13.9	0.0	245.0	5,554.4
1,151.1	7.5	195.0	631.7	5,238.4	110.2	57.3	13.8	119.0	241.4	5,779.9
1,326.9	11.9	170.0	781.8	6,132.1	131.2	61.4	17.7	136.7	290.2	6,769.3
1,254.9	36.5	80.8	314.4	4,695.0	29.1	8.6	102.5	0.0	50.9	4,886.1
1,290.8	25.3	56.3	374.0	4,825.2	33.4	13.3	69.5	20.0	55.4	5,016.7
1,509.8	24.2	55.9	427.6	5,453.7	40.0	6.5	63.0	22.7	87.8	5,673.7
499.0	34.1	7.0	23.8	1,281.4	0.0	0.0	37.7	0.0	0.1	1,319.3
512.8	23.0	6.0	16.8	1,244.8	0.8	0.0	34.8	0.3	0.1	1,280.9
621.6	22.0	3.4	16.4	1,345.2	0.1	0.0	29.3	0.5	0.2	1,375.3
24.5	0.0	16.1	7.3	447.8	8.2	0.3	39.9	0.0	1.0	497.1
37.8	0.0	11.9	13.5	472.2	7.9	0.0	23.6	3.1	1.1	508.0
40.4	0.0	11.9	9.0	378.6	7.1	0.1	25.8	5.5	1.2	418.2
659.7	7.9	81.1	269.1	3,630.3	31.9	3.9	22.9	0.0	202.8	3,891.7
660.3	12.5	92.4	292.3	3,910.3	35.0	6.8	21.8	71.7	201.4	4,247.1
822.7	18.3	125.1	376.2	5,195.7	51.4	11.7	23.4	83.3	247.0	5,612.6
36.9	0.4	0.0	0.6	120.3	0.0	0.1	0.0	0.0	0.0	120.5
32.0	0.5	0.0	0.9	111.4	0.3	0.0	0.0	0.9	0.0	112.6
33.4	0.4	0.1	1.4	127.8	0.7	0.0	0.0	1.2	0.1	129.8
101.0	1.7	0.2	9.6	288.0	0.6	0.0	6.1	0.0	0.5	295.1
105.2	5.1	0.2	9.2	326.7	1.6	0.0	5.3	4.6	1.2	339.4
116.5	4.1	0.2	19.6	410.4	2.9	0.1	5.6	5.7	1.2	425.9

Continued--



Appendix table 45: Agricultural exports by country, European Community and Other Western Europe, 1988-90 1/

SITC Codes			European Community							
Commodity	Year	Major Sub-head-ings head-ings 2/		Belgium-Luxembourg	Denmark	France	West Germany	Greece	Ireland	Italy
Million dollars										
Beverages	1988	11		374.8	210.2	5,422.8	1,020.5	52.9	338.5	1,319.6
	1989			401.8	189.5	5,791.1	1,098.6	0.0	376.9	1,462.4
	1990			437.8	245.1	7,075.7	1,293.7	107.3	493.8	1,829.4
Nonalcoholic	1988		111	207.6	16.1	353.7	137.9	1.3	22.2	29.3
	1989			236.0	13.9	414.1	170.5	0.0	23.0	45.0
	1990			208.6	19.3	592.8	218.0	5.8	29.5	59.7
Wine	1988		121	28.3	8.5	3,504.8	430.4	30.0	0.5	1,140.1
	1989			31.2	8.3	3,612.0	437.4	0.0	0.5	1,255.3
	1990			37.5	9.7	4,281.1	500.7	67.3	0.6	1,561.9
Tobacco, unmanufactured	1988	121		14.3	7.4	33.3	37.4	223.7	0.3	103.2
	1989			15.2	4.3	32.7	42.2	0.0	0.3	111.5
	1990			20.7	5.2	37.7	54.0	312.1	1.6	129.3
Tobacco, manufactured	1988	122		283.3	96.1	93.3	788.9	13.6	44.0	5.3
	1989			273.8	94.7	104.7	780.3	0.0	45.2	5.8
	1990			327.8	118.8	133.5	972.2	24.2	46.5	8.3
Hides, skins, and furs undressed	1988	21		114.9	579.5	448.5	296.1	30.3	114.3	94.2
	1989			108.9	457.4	408.1	269.9	0.0	115.7	84.0
	1990			110.1	331.6	434.7	299.5	28.3	118.8	89.3
Oilseeds, oil, nuts, and oil kernels	1988	22		27.7	121.9	1,456.8	96.2	1.7	7.3	7.6
	1989			28.1	115.5	1,276.8	154.6	0.0	3.5	6.3
	1990			28.4	219.5	1,198.5	207.7	4.4	10.5	15.3
Soybeans	1988		2214	11.0	0.1	11.0	1.8	0.0	0.1	1.4
	1989			7.5	0.2	10.5	2.1	0.0	0.1	2.0
	1990			7.8	0.1	3.2	3.7	0.0	0.1	10.0
Natural rubber	1988		2311	1.6	0.2	10.2	11.3	0.0	0.3	3.9
	1989			1.4	0.1	9.0	10.4	0.0	0.2	4.8
	1990			1.2	0.1	8.4	10.6	0.0	0.1	6.5
Natural fibers	1988	261-		413.9	3.0	886.8	353.3	73.6	33.7	100.9
	1989	265		422.7	2.4	872.5	408.1	0.0	31.2	108.2
	1990			363.0	2.1	732.0	387.9	142.0	22.1	87.5
Raw cotton	1988		2631	4.3	0.1	15.7	31.0	57.4	0.7	11.4
	1989			5.1	0.0	17.9	49.8	0.0	0.3	9.2
	1990			6.1	0.2	12.9	56.8	116.2	0.2	14.4
Crude animal & veg. matls. not elsewhere specified	1988	29		318.7	538.7	453.8	680.1	10.8	82.6	366.4
	1989			322.4	519.6	465.0	700.9	0.0	80.5	396.4
	1990			407.5	632.2	528.3	812.0	13.5	87.3	480.8
Agricultural fats and oils	1988		4	384.2	124.8	389.7	871.7	73.8	17.5	383.5
	1989			456.0	122.4	456.2	936.9	0.0	18.0	480.1
	1990			465.2	138.4	472.8	921.7	302.5	18.2	593.1
Animal & vegetable oil & fats, processed	1988		431	51.5	59.5	34.9	294.4	1.6	0.8	46.3
	1989			53.9	52.8	37.0	319.3	0.0	1.5	51.4
	1990			57.0	57.3	38.9	328.6	1.1	1.2	52.4
Total agricultural 3/	1988			9,534.7	7,131.1	27,733.4	17,263.6	1,362.1	4,841.9	8,791.7
	1989			10,426.5	7,113.4	29,024.0	17,850.1	0.0	5,010.2	9,249.3
	1990			11,780.7	8,382.6	33,934.2	20,085.2	2,478.9	5,286.1	11,061.0
Total exports	1988			88,953.1	27,815.5	161,702.3	322,555.1	5,155.6	18,736.0	127,899.2
	1989			100,737.1	27,996.6	172,561.0	340,628.4	0.0	20,692.6	140,466.5
	1990			118,002.3	34,801.0	209,490.5	397,911.8	8,053.1	23,796.5	168,523.2

Continued--

Appendix table 45: Agricultural exports by country, European Community and Other Western Europe, 1988-90 1/

European Community					Other Western Europe					
Nether-lands	Portugal	Spain	United Kingdom	Total EC-12	Austria	Finland	Norway	Sweden	Switzer-land	Total Western Europe
Million dollars										
806.5	376.8	635.2	2,806.7	13,364.3	80.1	24.0	6.6	0.0	46.5	13,521.5
811.6	383.7	636.4	2,946.3	14,098.8	101.3	30.0	7.4	48.0	48.0	14,333.4
1,020.1	462.7	791.3	3,781.3	17,538.3	161.8	35.8	10.4	59.9	62.8	17,869.0
177.7	4.5	16.0	49.2	1,015.6	48.3	0.5	2.3	0.0	27.9	1,094.6
203.6	8.7	12.4	55.9	1,183.0	63.4	2.8	1.7	6.9	25.7	1,283.5
236.2	12.5	31.9	85.0	1,499.4	97.9	0.9	2.2	9.7	33.9	1,643.9
11.2	358.2	544.0	52.9	6,109.0	9.0	0.1	0.1	0.0	7.6	6,125.7
12.0	352.8	544.7	55.3	6,309.7	10.0	0.1	0.3	0.3	10.1	6,330.5
12.8	420.1	613.4	71.4	7,576.6	18.6	0.1	0.7	0.2	11.5	7,607.7
66.8	4.4	11.1	24.9	526.7	1.9	0.0	0.2	0.0	48.3	577.3
70.8	5.4	8.7	19.7	310.8	3.7	0.4	0.2	2.6	34.4	352.0
92.6	5.2	20.9	31.7	710.9	4.5	0.8	1.5	3.0	47.1	767.8
1,130.6	1.7	13.4	865.8	3,335.9	6.1	18.7	9.6	0.0	163.0	3,533.2
1,234.8	1.8	30.1	837.1	3,408.3	11.1	15.1	9.4	19.4	172.5	3,635.8
1,806.3	2.1	15.7	1,145.0	4,600.3	20.2	16.9	10.8	22.0	241.7	4,911.9
348.5	8.1	67.3	454.0	2,555.6	44.3	237.3	143.4	0.0	80.4	3,061.0
327.0	7.3	59.3	415.1	2,252.8	39.7	232.4	100.9	178.9	69.7	2,874.4
358.2	6.0	66.2	337.9	2,180.8	38.0	137.1	71.1	135.2	72.0	2,634.3
144.3	0.1	28.0	74.2	1,965.9	22.3	0.0	0.3	0.0	0.7	1,989.2
117.3	0.1	10.4	60.8	1,773.5	29.8	0.0	0.2	7.1	0.7	1,811.4
157.4	1.1	67.7	120.4	2,030.8	16.7	0.1	0.1	13.6	0.8	2,061.9
66.0	0.0	0.0	0.6	92.1	0.1	0.0	0.1	0.0	0.2	92.6
49.8	0.0	0.0	0.6	72.9	0.2	0.0	0.0	0.2	0.3	73.7
81.7	0.6	0.1	0.6	108.0	0.5	0.0	0.0	0.0	0.4	108.9
8.5	0.0	1.6	20.3	57.9	0.8	0.0	0.1	0.0	0.1	58.8
6.0	0.1	2.0	15.1	49.0	0.4	0.1	0.0	2.2	0.2	51.9
5.3	0.0	1.5	20.3	54.3	0.5	0.0	0.1	1.8	0.2	56.9
60.7	15.2	120.3	441.8	2,503.1	9.8	0.5	9.5	0.0	46.8	2,569.6
57.1	16.1	139.1	452.3	2,509.7	8.0	0.4	8.7	1.9	46.5	2,575.2
51.0	11.4	87.7	405.3	2,292.1	8.9	0.8	6.6	1.5	44.4	2,354.2
0.6	1.4	37.9	2.8	163.3	3.4	0.0	0.1	0.0	1.8	168.5
0.4	0.8	64.1	3.8	151.5	2.9	0.0	0.0	0.0	4.5	159.0
0.3	1.4	40.6	3.1	252.3	2.7	0.0	0.0	0.1	1.2	256.3
3,477.0	22.6	207.1	173.9	6,331.5	24.2	5.4	15.9	0.0	63.2	6,440.2
3,504.4	20.5	217.1	168.6	6,395.3	25.0	6.0	15.0	49.9	62.5	6,553.7
4,345.4	28.8	232.8	189.5	7,758.2	33.9	6.4	12.1	48.0	76.2	7,934.7
723.3	47.5	686.2	157.5	3,859.6	16.5	23.9	67.6	0.0	18.4	3,986.0
802.9	55.0	406.4	135.9	3,869.8	17.0	22.2	61.3	88.0	19.7	4,078.1
849.8	77.4	920.0	155.6	4,914.7	18.2	22.4	54.9	107.2	23.2	5,140.7
238.1	0.9	10.0	45.6	783.4	2.7	11.2	38.0	0.0	2.4	837.7
256.3	1.1	10.2	51.3	834.9	3.2	12.8	39.1	45.0	2.2	937.0
260.4	2.0	10.7	55.0	864.7	4.1	11.7	34.7	53.8	2.3	971.3
24,360.9	757.0	6,782.4	10,482.4	119,041.3	1,164.5	628.8	511.7	0.0	1,602.0	122,948.2
24,842.5	778.1	6,660.0	11,215.5	122,169.6	1,265.1	694.6	433.9	1,114.7	1,585.0	127,262.8
29,722.1	932.2	7,867.2	13,038.7	144,569.0	1,467.7	770.4	427.4	1,273.7	1,936.8	150,445.0
103,205.6	10,989.6	40,457.6	145,394.5	1,052,864.0	31,082.1	21,638.7	22,503.3	0.0	50,632.5	1,178,721.0
107,799.4	12,797.7	44,449.9	153,236.9	1,121,366.0	32,444.3	23,264.6	27,029.7	51,496.6	51,443.9	1,307,045.0
131,479.4	16,415.7	55,607.0	185,499.7	1,349,580.0	41,876.2	26,718.1	34,062.4	57,326.3	63,698.5	1,573,261.0

/-/ indicates none or negligible.

NA = not available.

1/ Intra-EC trade included in data.

2/ Components of major headings.

3/ Sum of all major headings.

Source: UN Trade Statistics 1992. SITC is the Standard International Trade Classification revised



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